

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

MOTOROLA MOBILITY, INC. and \* Civil Docket No.  
GENERAL INSTRUMENT CORP. \* 5:11-CV-53-JRG  
\* Marshall, Texas  
-VS- \*  
\*  
TIVO, INC. \*

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TIVO, INC. \*  
\*  
-VS- \*  
\*  
MOTOROLA MOBILITY, INC., \*  
GENERAL INSTRUMENT \*  
CORPORATION, TIME WARNER \*  
CABLE, INC., AND TIME \* June 5, 2013  
WARNER CABLE, LLC \* 9:00 A.M.

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**TRANSCRIPT OF PRETRIAL CONFERENCE**  
**BEFORE THE HONORABLE RODNEY GILSTRAP**  
**UNITED STATES DISTRICT JUDGE**  
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15    (Proceedings recorded by mechanical stenography,  
16    transcript produced on a CAT system.)

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**P R O C E E D I N G S**

09:19AM 2 COURT SECURITY OFFICER: All rise.

09:19AM 3 THE COURT: Be seated, please.

09:19AM 4 All right. This is a continuation of the  
09:19AM 5 Pretrial Hearings in regard to Motorola, et al., versus  
09:19AM 6 TiVo. This is Civil Action 5:11-CV-53.

09:19AM 7 Let me call for announcements this  
09:19AM 8 morning. Who is here on behalf of Motorola?

09:19AM 9 MR. MANN: Your Honor, Mark Mann, here  
09:19AM 10 for Motorola and Time Warner Cable and General  
09:19AM 11 Instruments. And there are a number of other lawyers  
09:19AM 12 and if it's okay with the Court, we'll just let them  
09:19AM 13 announce as they come before the podium.

09:19AM 14 THE COURT: That will be fine.  
09:20AM 15 Announcements for TiVo.

09:20AM 16 MS. TRUELOVE: Thank you, Your Honor.  
09:20AM 17 Good morning. Jennifer Truelove here for TiVo.

09:20AM 18 At Counsel table I have Mr. Morgan Chu,  
09:20AM 19 Mr. Andrei Iancu, Joseph Lipner, and Mr. Richard  
09:20AM 20 Birnholz. And additionally we'll have likely other  
09:20AM 21 attorneys that argue as well.

09:20AM 22 THE COURT: Well, I understand that's  
09:20AM 23 the case. And just for clarity of the record, whether  
09:20AM 24 you've been introduced as a part of these announcements  
09:20AM 25 or not, if you participate in the hearing, you go to

09:20AM 1 the podium, in which each participant will speak. Then  
09:20AM 2 if you'll begin by identifying yourselves for the  
09:20AM 3 record, that will be helpful.

09:20AM 4 All right. We've previously taken up  
09:20AM 5 certain matters and we'll continue with the unaddressed  
09:20AM 6 Motions In Limine. We'll continue with the Motorola  
09:21AM 7 Motions In Limine. I have carried the Motion In Limine  
09:21AM 8 with regard to the EchoStar license and I will give the  
09:21AM 9 parties a ruling on that before the end of this week.

09:21AM 10 The other two Motions In Limine I believe  
09:21AM 11 I have already dealt with. The AT&T and Verizon  
09:21AM 12 matters I've said are in. We've dealt with the one on  
09:21AM 13 Motion In Limine on total revenues and sizes of the  
09:21AM 14 parties. I think that -- I think we've dealt with all  
09:21AM 15 the other Motorola related Motions In Limine; is that  
09:22AM 16 correct? Are there any -- other than the EchoStar  
09:22AM 17 matter, are there any other Motions In Limine for  
09:22AM 18 Motorola that I've not already dealt with that you're  
09:22AM 19 aware of, Counsel?

09:22AM 20 MR. VERHOEVEN: No, Your Honor.

09:22AM 21 THE COURT: Okay. Then let's move to  
09:22AM 22 the Motions In Limine raised by TiVo.

09:22AM 23 First one is whether the Court should  
09:22AM 24 preclude any reference to Irell & Manella. I think  
09:22AM 25 I've granted that previously, have I not?

09:22AM 1 MR. VERHOEVEN: Your Honor, I think  
09:22AM 2 we're on No. 3, according to my notes.

09:22AM 3 THE COURT: Yes, that's correct. Let's  
09:22AM 4 take up TiVo Motion In Limine 3, whether the Court  
09:22AM 5 should exclude Motorola or Time Warner's expert, for  
09:22AM 6 which Notice was not provided. Let me hear from TiVo  
09:22AM 7 on this.

09:22AM 8 MR. BIRNHOLZ: Good morning, Your Honor.  
09:22AM 9 Richard Birnholz of Irell & Manella.

09:22AM 10 THE COURT: Good morning.

09:22AM 11 MR. BIRNHOLZ: Motion In Limine No. 3  
09:23AM 12 was a brief, vanilla motion that the Court should order  
09:23AM 13 that the experts are limited to the matters for which  
09:23AM 14 notice was provided and disclosed in their -- the other  
09:23AM 15 side and there was -- it was not directed at a  
09:23AM 16 particular issue, so I didn't believe that MIL No. 3  
09:23AM 17 was a controversial motion.

09:23AM 18 THE COURT: All right. Well, now I'll  
09:23AM 19 hear from opposing Counsel. Typically the Court does  
09:23AM 20 get, from time to time, what I consider to be  
09:23AM 21 follow-the-rules Motions In Limine where basically a  
09:23AM 22 party asks the other side be ordered to follow the  
09:23AM 23 rules. Typically I deny those because we're going to  
09:23AM 24 follow the rules in the trial whether there's a Motion  
09:23AM 25 In Limine or not.

09:23AM 1 So if you've got something specific to  
09:23AM 2 take up, we'll certainly get into that, but if it's of  
09:23AM 3 a general, broad, as you say, vanilla nature, that's  
09:23AM 4 typically how I've handled them. But let me hear  
09:24AM 5 briefly a response from the other side.

09:24AM 6 MR. DeFRANCO: Good morning, Your Honor.  
09:24AM 7 Ed DeFranco for Motorola.

09:24AM 8 Your Honor, that -- that's exactly right.  
09:24AM 9 When this issue came up we said, well, that -- that  
09:24AM 10 sounds like you're asking us to play by the rules and  
09:24AM 11 this should be a two-way street of course, that both  
09:24AM 12 parties certainly expect that the Court will require  
09:24AM 13 them to play by the rules with respect to expert  
09:24AM 14 testimony that is, that opinions are either explicitly  
09:24AM 15 disclosed in reports or in deposition testimony.

09:24AM 16 And we anticipate, I believe under Your  
09:24AM 17 Honor's procedures, there may be some objections in  
09:24AM 18 that regard that we'll take up the morning before or  
09:24AM 19 the day before an expert takes the stand so we resolve  
09:24AM 20 any such objections, but TiVo hasn't raised any yet and  
09:24AM 21 we have no problem with what's in their motion because  
09:24AM 22 they're saying both sides should follow the rules, as  
09:24AM 23 Your Honor just explained.

09:24AM 24 THE COURT: All right. Well, without  
09:24AM 25 more and based on the Court's explanation, I'll deny

09:25AM 1 TiVo's Motion In Limine No. 3 because we will follow  
09:25AM 2 the rules in this trial whether there's a Motion In  
09:25AM 3 Limine granted or not.

09:25AM 4 And again, for everyone's benefit let me  
09:25AM 5 reiterate that a Motion In Limine, a ruling by the  
09:25AM 6 Court on a Motion In Limine is not a permanent,  
09:25AM 7 dispositive, substantive ruling on the nature of the  
09:25AM 8 matter, it's simply a requirement that you must  
09:25AM 9 approach the bench and obtain leave before you go into  
09:25AM 10 that matter before the Jury.

09:25AM 11 There are times when, based on the  
09:25AM 12 context has been developed in the trial, I'm going to  
09:25AM 13 grant leave even though I've previously entered a  
09:25AM 14 Motion In -- granted a Motion In Limine. Many times  
09:25AM 15 I'm not, but it just requires you to approach and seek  
09:25AM 16 leave before going into it.

09:25AM 17 It doesn't necessarily say forever and  
09:25AM 18 forever it's out; forever and ever it's in. I think  
09:25AM 19 everyone understands that, but I just want to make that  
09:25AM 20 abundantly clear.

09:26AM 21 All right. Let's go to TiVo's Motion In  
09:26AM 22 Limine No. 4, the late disclosed license defense based  
09:26AM 23 on the Horizon Developer Agreement. I'll hear from  
09:26AM 24 TiVo on this.

09:26AM 25 MR. LIPNER: Good morning, Your Honor.



09:26AM 1 Joseph Lipner of Irell & Manella.

09:26AM 2 THE COURT: Good morning.

09:26AM 3 MR. LIPNER: We brought this motion  
09:26AM 4 because we are facing a license defense that was never  
09:26AM 5 disclosed in discovery. It has shown up in a summary  
09:26AM 6 judgment motion, which is also on the Court's docket,  
09:26AM 7 and we made this argument in response to the summary  
09:26AM 8 judgment motion as well.

09:26AM 9 The -- the license defense is based on an  
09:26AM 10 agreement between TiVo and Motorola under a Horizon  
09:26AM 11 Agreement, which was an agreement in which TiVo and  
09:26AM 12 Motorola worked together on a specific narrow project.  
09:26AM 13 There is no disclosure in the pleadings by Motorola  
09:26AM 14 that they are going to rely on this for a license  
09:26AM 15 defense and that is in contrast to their pleadings  
09:27AM 16 which do call out a license defense based on the  
09:27AM 17 Comcast Agreement, based on the Verizon Agreement and  
09:27AM 18 based on the AT&T Agreement. So there's no disclosure  
09:27AM 19 in the pleadings.

09:27AM 20 There's no disclosure in any discovery  
09:27AM 21 responses. We had a specific request that they explain  
09:27AM 22 the basis of their affirmative defenses, including  
09:27AM 23 their affirmative defense on licensing, and they said  
09:27AM 24 nothing about the Horizon Agreement, they simply  
09:27AM 25 referred back to their pleadings which said nothing

09:27AM 1 about the Horizon Agreement.

09:27AM 2 So we had no disclosure of this during  
09:27AM 3 discovery. Four days after the close of the fact  
09:27AM 4 discovery period, Motorola supplemented its response to  
09:27AM 5 its interrogatory matters as affirmative defense and  
09:27AM 6 disclosed the Horizon Agreement as a covenant.

09:27AM 7 Now, there are two things I want to  
09:27AM 8 address. First of all, TiVo has been prejudiced by  
09:28AM 9 this late disclosure because had they raised a  
09:28AM 10 licensing defense based on the Horizon Agreement, that  
09:28AM 11 would have opened up a whole new front of discovery  
09:28AM 12 that we would have pursued vigorously. Even as I stand  
09:28AM 13 here today, I'm not a hundred percent sure I understand  
09:28AM 14 their reading of the covenant which they claim gives  
09:28AM 15 them a complete defense in this lawsuit, so we haven't  
09:28AM 16 gotten the full explanation of that.

09:28AM 17 We would have taken discovery from the  
09:28AM 18 people who negotiated that agreement on the Motorola  
09:28AM 19 side and asked about the covenant. We would have  
09:28AM 20 looked for the negotiation documents relating to that  
09:28AM 21 covenant, but we didn't pursue this because until the  
09:28AM 22 very end of discovery and afterwards, we didn't know  
09:28AM 23 that there was going to be a Horizon licensing defense.

09:28AM 24 Now, they rely on a few things in their  
09:29AM 25 opposition that I want to address, because we didn't

09:29AM 1 get a reply brief. They rely on a few things where  
09:29AM 2 they say we gave you notice earlier than the close of  
09:29AM 3 discovery. One place they say they gave us notice is  
09:29AM 4 in response to Interrogatory No. 24, which simply asks  
09:29AM 5 for all their agreements that have any rights about  
09:29AM 6 DVRs and among what I think is about 10 or more  
09:29AM 7 agreements mostly not having to do with TiVo, they  
09:29AM 8 listed the Horizon Agreement among the other  
09:29AM 9 agreements. There were about 494 pages.

09:29AM 10 That interrogatory was really directed at  
09:29AM 11 the question of whether there are other comparable  
09:29AM 12 licenses that our expert should be looking at in the  
09:29AM 13 DVR space for reasonable royalty purposes. Them  
09:29AM 14 listing the Horizon Agreement among nine other, 10  
09:29AM 15 other agreements that had nothing to do with TiVo,  
09:29AM 16 doesn't give us any notice that they're going to rely  
09:29AM 17 on it for the basis of a license defense.

09:30AM 18 They also talk about some testimony given  
09:30AM 19 by the 30(b)(6) deponent, Mr. Robinson, when asked  
09:30AM 20 about this agreement and he said -- he gave basically  
09:30AM 21 general testimony about the purpose behind this clause  
09:30AM 22 of the agreement. But when TiVo specifically asked him  
09:30AM 23 in his -- in his deposition, and he was the 30(b)(6) on  
09:30AM 24 Motorola's licensing, when we asked him: Is it  
09:30AM 25 Motorola's view that the covenant bars TiVo's claim

09:30AM 1 with respect to any Motorola DVR products in the case,  
09:30AM 2 there was an attorney-client privilege objection, and  
09:30AM 3 he answered: Yeah, I think that information would be  
09:30AM 4 privileged.

09:30AM 5 And then when we -- when TiVo asked him:  
09:30AM 6 Are you familiar with any Motorola boxes other than the  
09:30AM 7 Motorola boxes on which TiVo software was loaded, which  
09:30AM 8 involved the sort of interface that is the subject of  
09:30AM 9 this covenant?

09:31AM 10 Mr. Robinson answered: I don't know.

09:31AM 11 In other words, when asked whether the  
09:31AM 12 wide swath of DVRs were subject to the covenant,  
09:31AM 13 Motorola's own designee on licensing didn't know. So  
09:31AM 14 that's the discovery we got during the discovery  
09:31AM 15 period.

09:31AM 16 This is very simply a late disclosed  
09:31AM 17 defense that should not be part of the trial.

09:31AM 18 THE COURT: All right. Let me hear a  
09:31AM 19 reply from Motorola, Time Warner.

09:31AM 20 MR. CUNNINGHAM: Morning, Your Honor.  
09:31AM 21 Sean Cunningham, DLA Piper for Motorola.

09:31AM 22 Your Honor, I want to make three points  
09:31AM 23 in response to this Motion In Limine. First of all,  
09:31AM 24 this -- this isn't really a Motion In Limine in the  
09:31AM 25 sense that this evidence will come before the Jury.

09:31AM 1 The license defense is a matter for Your Honor. We  
09:32AM 2 anticipate that the license defense would likely be  
09:32AM 3 heard following the Jury trial to the extent it's  
09:32AM 4 necessary, but this is not testimony or evidence that  
09:32AM 5 should come before the Jury because the interpretation  
09:32AM 6 of these unambiguous contracts is for Your Honor.

09:32AM 7 So we don't feel that this belongs as a  
09:32AM 8 Motion In Limine. It may be a Motion to Exclude, but  
09:32AM 9 it's not something that should come before the Jury, in  
09:32AM 10 any event. And furthermore, because it is a pure  
09:32AM 11 question of law based on the four corners of these  
09:32AM 12 various agreements, it doesn't require discovery.

09:32AM 13 Now, TiVo has done a lot of digging to  
09:32AM 14 try and put into the record certain extrinsic evidence,  
09:32AM 15 including testimony by its 30(b)(6) witness, about the  
09:32AM 16 operation of these agreements, but we contend that that  
09:32AM 17 evidence is both unnecessary and irrelevant under the  
09:32AM 18 parol evidence rule.

09:33AM 19 The second point is as -- as TiVo's  
09:33AM 20 Counsel said, this is an agreement between TiVo and  
09:33AM 21 Motorola. It has existed since 2005. So this is not  
09:33AM 22 something that popped out of nowhere, some agreement  
09:33AM 23 between Motorola and a third party or TiVo and a third  
09:33AM 24 party. This is an agreement that has been in both  
09:33AM 25 companies' files since well before this lawsuit began.

09:33AM 1 Third and most importantly, there was  
09:33AM 2 plenty of notice of this agreement and -- and  
09:33AM 3 Motorola's intent to rely on it during the fact  
09:33AM 4 discovery period. The agreement itself was produced in  
09:33AM 5 December of 2012 and there was a -- an amendment a  
09:33AM 6 month later to the Interrogatory No. 24, which asked  
09:33AM 7 Motorola to list all of its licenses relating to DVRs  
09:33AM 8 and that -- and that agreement was included then.

09:33AM 9 But I think more importantly, when TiVo's  
09:33AM 10 30(b)(6) witness was deposed by Motorola, he was  
09:34AM 11 asked -- he was -- this agreement was put in front of  
09:34AM 12 him and he was asked whether it was TiVo's position  
09:34AM 13 that the covenant not to assert in Section 6.3, that's  
09:34AM 14 the relevant provision of this agreement, applies to  
09:34AM 15 this litigation and he answered, I don't know or he  
09:34AM 16 declined to answer. He said that would be a question  
09:34AM 17 for the lawyers.

09:34AM 18 So it certainly was the case as of his  
09:34AM 19 deposition that TiVo was on notice that we were  
09:34AM 20 pursuing a defense based on that covenant not to  
09:34AM 21 assert. Then later Motorola's 30(b)(6) witness was  
09:34AM 22 deposed on the same agreement, same agreement was put  
09:34AM 23 in front of him, he was asked to turn to the covenant  
09:34AM 24 not to assert, Section 6.3, and he did give testimony,  
09:34AM 25 very detailed testimony; in fact, for a layperson, I

09:34AM 1 think he did a fairly decent job of describing the  
09:34AM 2 operation of the covenant not to assert and that  
09:35AM 3 testimony was quoted at page 6 of our response to  
09:35AM 4 TiVo's Motions In Limine.

09:35AM 5 And so the fact that there was a second  
09:35AM 6 interrogatory response that was not supplemented until  
09:35AM 7 four days after the close of fact discovery, we think  
09:35AM 8 is -- is -- should not prevent a serious and -- and  
09:35AM 9 potentially case dispositive defense from being heard  
09:35AM 10 by Your Honor.

09:35AM 11 That's all I have.

09:35AM 12 THE COURT: So your position, Mr.  
09:35AM 13 Cunningham, is that your clients expressly disclosed to  
09:35AM 14 TiVo before the end of discovery that they intended to  
09:35AM 15 rely on this license as a defense to liability?

09:35AM 16 MR. CUNNINGHAM: Yes, Your Honor. All  
09:35AM 17 through the pleadings and in the production of the  
09:35AM 18 agreement itself and in the questioning of multiple  
09:35AM 19 deponents. Absolutely.

09:35AM 20 THE COURT: Well, I'm not so much  
09:36AM 21 concerned about the production of documents because as  
09:36AM 22 you well know, there are thousands and thousands of  
09:36AM 23 pages of documents produced in a case like this and to  
09:36AM 24 reach back and say aha, here it is and pull the needle  
09:36AM 25 out of the haystack and say therefore you knew and our

09:36AM 1 late response after the discovery cutoff doesn't  
09:36AM 2 matter, that doesn't carry a whole lot of weight.

09:36AM 3 I'm not -- I'm not that moved by the  
09:36AM 4 deposition representation because in a similar vein,  
09:36AM 5 there's an awful lot that gets said in a deposition and  
09:36AM 6 there are an awful lot of depositions that are taken in  
09:36AM 7 a case of this magnitude and to reach back and to pull  
09:36AM 8 something out and say this is why they knew. It's your  
09:36AM 9 burden. If it's your -- if it's an affirmative defense  
09:37AM 10 you intend to use, it's your burden to formally  
09:37AM 11 disclose it.

09:37AM 12 Now, my understanding was the status of  
09:37AM 13 the actual pleading was there was a general allegation  
09:37AM 14 of a licensed defense, but not a specific reference in  
09:37AM 15 the pleadings to this Horizon matter prior to the  
09:37AM 16 cutoff of discovery; is that correct? I mean, is  
09:37AM 17 that --

09:37AM 18 MR. CUNNINGHAM: That is correct, Your  
09:37AM 19 Honor. The -- the defense itself was a general  
09:37AM 20 we're -- you know, we have license defense. The  
09:37AM 21 counterclaims --

09:37AM 22 THE COURT: That doesn't put notice --  
09:37AM 23 that may -- that really doesn't put anybody on notice  
09:37AM 24 of this particular matter.

09:37AM 25 MR. CUNNINGHAM: Right. And -- and the



09:37AM 1 reason that we know that TiVo had notice of this  
09:37AM 2 defense is they were able to go to the deposition of  
09:37AM 3 our 30(b)(6) witness, put this agreement in front of  
09:37AM 4 them, turn to the exact provision that's at issue, this  
09:37AM 5 Section 6.3 of the covenant not to assert, and ask  
09:37AM 6 multiple detailed questions about it. There is no  
09:37AM 7 question that TiVo knew that we were pursuing this as a  
09:38AM 8 defense.

09:38AM 9 THE COURT: Well I mean, it sounds like  
09:38AM 10 from the argument that prior to the discovery cutoff,  
09:38AM 11 Motorola and Time Warner had identified this perhaps  
09:38AM 12 for royalty purposes, but not for an affirmative  
09:38AM 13 defense as an affirmative license defense. I mean, if  
09:38AM 14 it's in -- if it's -- if the notice has been given for  
09:38AM 15 another matter, calculation of damages, it's completely  
09:38AM 16 reasonable that the other side would have gone into it  
09:38AM 17 and looked at it in a deposition or otherwise.

09:38AM 18 The question is not did you give notice,  
09:38AM 19 but did you give notice that you intended it to be an  
09:38AM 20 affirmative defense to infringement. The fact that you  
09:38AM 21 may have given notice that it was going to be one of  
09:38AM 22 the many factors considered at calculating reasonable  
09:38AM 23 royalty, they're apples and oranges.

09:38AM 24 MR. CUNNINGHAM: Well Your Honor, the  
09:38AM 25 covenant not to assert in Section 6.3 doesn't have any

09:38AM 1 applicability to whether this license has anything to  
09:38AM 2 do with a reasonable royalty. The covenant not to  
09:39AM 3 assert has to do with whether TiVo can sue Motorola.  
09:39AM 4 And that's the point that we've been trying to make by  
09:39AM 5 producing the agreement, questioning their witness, and  
09:39AM 6 allowing our witness to be questioned on that topic and  
09:39AM 7 also, obviously, filing a summary judgment motion  
09:39AM 8 making that very argument.

09:39AM 9 THE COURT: Right. And I -- I do tend  
09:39AM 10 to agree with you, that this is, perhaps, a little bit  
09:39AM 11 out of place as a Motion In Limine, but the issue's  
09:39AM 12 teed up as to whether the license, whether it's in the  
09:39AM 13 Motion In Limine, whether you consider it a Motion to  
09:39AM 14 Exclude, whether it was part of the motion for summary  
09:39AM 15 judgment, it's teed up as to its timeliness and its  
09:39AM 16 appropriateness to come in in the trial.

09:39AM 17 Let me hear any additional position from  
09:39AM 18 TiVo.

09:39AM 19 MR. CUNNINGHAM: Thank you, Your Honor.

09:39AM 20 THE COURT: Thank you, Mr. Cunningham.

09:39AM 21 MR. LIPNER: Just a few comments, Your  
09:39AM 22 Honor. The -- it was helpful to hear, first of all,  
09:40AM 23 that Motorola says that it's not planning on placing  
09:40AM 24 this in front of the Jury, which was not the position  
09:40AM 25 that we've had in recent days as they've submitted

09:40AM 1 proposed Jury instructions on the Horizon agreement.

09:40AM 2 With respect to the argument that the  
09:40AM 3 Horizon agreement is just unambiguous so you don't need  
09:40AM 4 discovery, that doesn't make any sense. Your Honor  
09:40AM 5 knows the law of many jurisdictions. This Horizon  
09:40AM 6 agreement is governed by New York law and obviously  
09:40AM 7 discovery into the negotiations would be highly  
09:40AM 8 relevant. And I -- I think you would -- if you look at  
09:40AM 9 the provision, it's not a clear provision, to put it  
09:40AM 10 mildly. It's a very complicated and complex provision  
09:40AM 11 and obviously discovery and parol evidence would have  
09:40AM 12 to be considered under New York law, whether ultimately  
09:40AM 13 it's taken into account or not.

09:40AM 14 In terms of the disclosure, it's very  
09:41AM 15 clear that till the very last day of discovery and  
09:41AM 16 beyond, we did not know that they were asserting this.  
09:41AM 17 There were a -- there was a question or two by them in  
09:41AM 18 a deposition. There were questions by us to their  
09:41AM 19 30(b)(6) witness in which, as I told you, Your Honor,  
09:41AM 20 the 30(b)(6) witness said he did not know Motorola's  
09:41AM 21 position as to the scope of the covenant and he did not  
09:41AM 22 know and he would not testify on attorney-client  
09:41AM 23 privilege grounds on that subject as well.

09:41AM 24 And the most basic rules of this Court  
09:41AM 25 and of litigation is that we needed to have notice that

09:41AM 1 they were actually asserting this defense so that we  
09:41AM 2 could take all the actions we needed to. Until they  
09:41AM 3 filed their Summary Judgment Motion, I assumed that  
09:41AM 4 they were not going to pursue it, given that it didn't  
09:41AM 5 seem to support their position and the -- the little  
09:41AM 6 discovery on the issue did not turn up anything. So  
09:42AM 7 Your Honor, this shouldn't be part of this litigation.  
09:42AM 8 There was no notice.

09:42AM 9 THE COURT: All right. Anything  
09:42AM 10 further, Mr. Cunningham?

09:42AM 11 MR. CUNNINGHAM: No, Your Honor.

09:42AM 12 THE COURT: I'll give you the last word.  
09:42AM 13 You don't want it? Okay.

09:42AM 14 MR. CUNNINGHAM: No thanks.

09:42AM 15 THE COURT: All right. The Court is  
09:42AM 16 convinced that Motorola and Time Warner have failed to  
09:42AM 17 meet their obligation to formally disclose this to the  
09:42AM 18 other side within the time limits imposed on the  
09:42AM 19 parties. That is a bright line rule of litigation,  
09:42AM 20 this in every other Federal Court that I know of. What  
09:42AM 21 you might have said in some of the context, what might  
09:42AM 22 have been produced but wasn't identified, that doesn't  
09:42AM 23 excuse the affirmative obligation on the party  
09:42AM 24 asserting the defense to clearly make the other side  
09:42AM 25 aware of it so they can prepare and defend against that

09:43AM 1 assertion.

09:43AM 2 I'm going to grant the Motion In Limine  
09:43AM 3 to the extent that's necessary. And with regard to  
09:43AM 4 Motorola's summary judgment under document 349, to the  
09:43AM 5 extent that motion urges the granting of summary  
09:43AM 6 judgment based on the Horizon Developer Agreement or  
09:43AM 7 license, I'm going to deny that motion of summary  
09:43AM 8 judgment to that extent. I understand it asserts other  
09:43AM 9 bases for summary judgment, we'll take that up at a  
09:43AM 10 later time.

09:43AM 11 All right. If you'll next move to TiVo's  
09:43AM 12 Motion In Limine 5 regarding undisclosed contentions,  
09:43AM 13 etcetera, etcetera.

09:43AM 14 MS. GORDNIA: Good morning, Your Honor.  
09:43AM 15 Talin Gordnia of Irell & Manella for TiVo.

09:43AM 16 THE COURT: Let me stop you before you  
09:43AM 17 get started. It looks like to me this is, in effect,  
09:43AM 18 an attack on several identified specific exhibits.

09:43AM 19 MS. GORDNIA: Right.

09:43AM 20 THE COURT: If it's more than that, I'll  
09:44AM 21 hear from you on it. If it really is a discover -- or  
09:44AM 22 a dispute as to exhibits, I'd rather take those up at  
09:44AM 23 the time we take up the disputed exhibits in the case.  
09:44AM 24 I think it's more appropriate to handle it as an  
09:44AM 25 exhibit dispute rather than a Motion In Limine, unless

09:44AM 1 there's more here than I'm aware of. So tell me --  
09:44AM 2 tell me what your position is.

09:44AM 3 MS. GORDNIA: We can wait, Your Honor.

09:44AM 4 THE COURT: Well, if there's not more  
09:44AM 5 here than an actual attack on certain exhibits, then  
09:44AM 6 we'll take that up and let those rise or fall  
09:44AM 7 separately when we go through the exhibits.

09:44AM 8 I'm going to deny No. 5 for purposes of  
09:44AM 9 Motion In Limine and we'll deal with all the identified  
09:44AM 10 exhibits in this Motion In Limine under our exhibit  
09:44AM 11 dispute section of the pretrial.

09:44AM 12 All right. No. 6 is TiVo's Motion In  
09:44AM 13 Limine with regard to claim construction.

09:44AM 14 MR. IANCU: Good morning, Your Honor.  
09:45AM 15 Andrei Iancu from Irell & Manella on behalf of TiVo.

09:45AM 16 Motion In Limine No. 6 relates to claim  
09:45AM 17 construction and of course experts and the parties  
09:45AM 18 should be held to the Court's claim constructions  
09:45AM 19 across the board. We do have a specific example of  
09:45AM 20 where we believe Motorola's experts and Time Warner's  
09:45AM 21 expert will attempt to deviate from the Court's claim  
09:45AM 22 construction and that would be improper. We outlined  
09:45AM 23 that in our papers and deals with the Court's  
09:45AM 24 construction of the term object.

09:45AM 25 The Court construed that term as a

09:45AM 1 collection of data and operations in this case, in the  
09:45AM 2 Verizon case, in the AT&T case, and in the EchoStar  
09:45AM 3 case and this construction was actually affirmed by the  
09:45AM 4 Federal Circuit. In this case, Motorola actually  
09:46AM 5 advanced the definition that included the concept of,  
09:46AM 6 quote, a functionally interrelated set of data and  
09:46AM 7 operations, close quote. The Court expressly rejected  
09:46AM 8 that. The Court rejected that this term needs to  
09:46AM 9 include a relationship functionally interrelated.

09:46AM 10 Now, in discovery we found out that the  
09:46AM 11 expert for the other side is specifically going back on  
09:46AM 12 this issue and saying things like, quote, the  
09:46AM 13 collection means something and I think it means a  
09:46AM 14 relationship, close quote. That is specifically what  
09:46AM 15 this Court denied at claim construction.

09:46AM 16 The other side relies on statements made  
09:46AM 17 during prosecution history by TiVo that is an exact  
09:46AM 18 issue that was raised during the claim construction  
09:47AM 19 period and this Court denied that. Your Honor said on  
09:47AM 20 balance, TiVo's discussion during the second  
09:47AM 21 reexamination of words appearing in the Court's  
09:47AM 22 construction of object did not further limit the term.  
09:47AM 23 That is still the case and Motorola's experts should  
09:47AM 24 not be allowed to do an end run around the Court's  
09:47AM 25 instruction.

09:47AM 1 THE COURT: All right. Let me have a  
09:47AM 2 response.

09:47AM 3 MR. NELSON: Morning, Your Honor. Dave  
09:47AM 4 Nelson on behalf of --

09:47AM 5 THE COURT: Good morning.

09:47AM 6 MR. NELSON: -- I'm from Quinn -- from  
09:47AM 7 Motorola and TWC.

09:47AM 8 So we agree, you know, we actually have  
09:47AM 9 some of our own Motions In Limine, I think Your Honor  
09:47AM 10 said maybe we should take those up in connection with  
09:47AM 11 some of the Dauberts, and certainly those are some of  
09:47AM 12 the Daubert issues with respect to TiVo's experts  
09:47AM 13 concerning this idea of testifying inconsistent with  
09:48AM 14 the claim construction. But we don't have that case  
09:48AM 15 here.

09:48AM 16 So I think what TiVo is referring to is  
09:48AM 17 there was some additional, I think it was Dr.  
09:48AM 18 Villasenor, during some of the second reexamination,  
09:48AM 19 there were some statements about what object means and  
09:48AM 20 that's this functioning interrelated thing that -- that  
09:48AM 21 Counsel said, agree with all that. But what the Court  
09:48AM 22 did during Markman in this particular case is just  
09:48AM 23 said, well, that's consistent, right, with my earlier  
09:48AM 24 definition. There's no need to change the earlier  
09:48AM 25 definition. It doesn't further limit. So there wasn't



09:48AM 1 a situation, as we have in some of our Motions In  
09:48AM 2 Limine, where the Court specifically said, hey, that's  
09:48AM 3 not what this means, right?

09:48AM 4 So what we have is a situation now where  
09:48AM 5 the expert, consistent with what Dr. Villasenor, which  
09:48AM 6 is TiVo's invalidity expert, position he's taken and,  
09:48AM 7 in fact, has what's been put before him was exactly  
09:49AM 8 that definition that he offered in the reexamination,  
09:49AM 9 you'll see that in the papers, Your Honor, he said,  
09:49AM 10 yes, that is my understanding. That's what this --  
09:49AM 11 this object means that the collection of data is.

09:49AM 12 So what -- what Dr. Gray is doing and  
09:49AM 13 what Plaintiff's objecting to is applying the meaning  
09:49AM 14 that the Court's given it consistent with his  
09:49AM 15 understanding of the -- the Court's meaning, which is  
09:49AM 16 the second half, right. We have two steps to claim  
09:49AM 17 construction. We've got Markman where the Court  
09:49AM 18 construes the claim, but we've got to get to the second  
09:49AM 19 half where there is expert testimony and the  
09:49AM 20 application of the claims of the facts of the case.

09:49AM 21 So what Dr. Gray is doing is not saying,  
09:49AM 22 well, this is the definition provided by the Court,  
09:49AM 23 functionally interrelated. What he's saying is in  
09:49AM 24 order for it to be a collection of data and operations,  
09:49AM 25 I need to see some relationship there, right? I need

09:49AM 1 to -- I can't just draw a random circle around various  
09:50AM 2 functions and say, hey, there's a collection of data  
09:50AM 3 and operations.

09:50AM 4 Now, that may be a factual dispute  
09:50AM 5 between the experts, Your Honor, they may -- their  
09:50AM 6 expert may come in and say, and I suspect based upon  
09:50AM 7 the depositions and the expert report that he will,  
09:50AM 8 yes, that can be a collection. But that's a factual  
09:50AM 9 dispute for the Jury to resolve in that instance. It's  
09:50AM 10 not an issue of claim construction because it's not a  
09:50AM 11 position that the Court has rejected and said, no, this  
09:50AM 12 is not what the claim means, that's not consistent with  
09:50AM 13 the -- with the scope of the claim.

09:50AM 14 And furthermore, in connection with Dr.  
09:50AM 15 Villasenor, this is again TiVo's invalidity expert, he  
09:50AM 16 was asked whether he was applying his understanding  
09:50AM 17 that was expressed during the reexamination, this  
09:50AM 18 functionally interrelated, I forget exactly the -- the  
09:50AM 19 full term, but that's the -- the magic language, Your  
09:51AM 20 Honor, he said yes, that's exactly what I did when I  
09:51AM 21 did my analysis in this case is apply that  
09:51AM 22 understanding to the Court's claim construction. So  
09:51AM 23 the experts necessarily need to do that and all Dr.  
09:51AM 24 Gray has said, Your Honor, is that collection, when you  
09:51AM 25 say collection of data and operations, that means

09:51AM 1 something. The term collection means something and  
09:51AM 2 this is how I'm applying it in this instance.

09:51AM 3 Now, the Jury may disagree with that and  
09:51AM 4 that's -- that's a factual issue, but that is a factual  
09:51AM 5 issue to be resolved by the Jury.

09:51AM 6 THE COURT: All right. Thank you,  
09:51AM 7 Counsel.

09:51AM 8 Mr. Iancu, do you have anything else?

09:51AM 9 MR. IANCU: Briefly, Your Honor. The  
09:51AM 10 expert should not interpret the Court's interpretation,  
09:51AM 11 should not construe the Court's construction and in  
09:51AM 12 particular, they shouldn't do so by advancing a  
09:51AM 13 position that was expressly rejected by the Court  
09:52AM 14 during the Court's -- during the construction period.

09:52AM 15 The -- the Court expressly rejected the  
09:52AM 16 relationship language. And here Mr. Gray, he's not a  
09:52AM 17 doctor by the way, Mr. Gray, their expert, specifically  
09:52AM 18 says as one of their noninfringement arguments that we  
09:52AM 19 don't infringe because the code is not related. It  
09:52AM 20 doesn't have functional interrelationship. Well, that  
09:52AM 21 goes exactly against the Court's construction and it  
09:52AM 22 will miss -- it -- it -- it will misguide the Jury.

09:52AM 23 With respect to Dr. Villasenor, that's  
09:52AM 24 another expert. Each expert should be held to the  
09:52AM 25 Court's claim construction. We shouldn't start

09:52AM 1 comparing one expert's position to another expert's  
09:52AM 2 position on that. The only construction that should be  
09:52AM 3 applied by all experts is the Court's construction.

09:52AM 4 And Dr. Villasenor, if we're going to  
09:52AM 5 talk about him, he expressly did just that, is applying  
09:52AM 6 only the Court's claim construction.

09:53AM 7 THE COURT: All right. Mr. Nelson, do  
09:53AM 8 you have anything to add?

09:53AM 9 MR. NELSON: Just briefly, Your Honor.  
09:53AM 10 So as Mr. Gray, and I apologize, I didn't mean to  
09:53AM 11 elevate him, Your Honor.

09:53AM 12 THE COURT: That's all right.

09:53AM 13 MR. NELSON: The --

09:53AM 14 THE COURT: There are a lot of moving  
09:53AM 15 parts in this case.

09:53AM 16 MR. NELSON: Exactly. And I'm new to  
09:53AM 17 this, Your Honor. The -- what Mr. Gray applied, and  
09:53AM 18 you can see from his report, and there's nothing  
09:53AM 19 inconsistent during the motion, was the Court's claim  
09:53AM 20 construction. Necessarily any time that you're  
09:53AM 21 applying the claim construction to the facts to look to  
09:53AM 22 see is this found in the operation of the accused  
09:53AM 23 products, there's -- you have to apply your  
09:53AM 24 understanding of those words because we still have  
09:53AM 25 words, but what -- and so he did that in his expert

09:53AM 1 report.

09:53AM 2 What they are pointing to was a question  
09:53AM 3 that was asked doc -- Mr. Gray, excuse me, during his  
09:54AM 4 deposition where he said: Do you believe the Court's  
09:54AM 5 construction required that the data and operations be  
09:54AM 6 related to be an object?

09:54AM 7 And his answer was: I think that one of  
09:54AM 8 the measures of collection is that these entities --  
09:54AM 9 entities be related to one another in some meaningful  
09:54AM 10 way.

09:54AM 11 And so I think that's part, that's one of  
09:54AM 12 the things that I thought about a collection. That's  
09:54AM 13 one of the things that I think about that's got to be  
09:54AM 14 related to one another. It can't be unrelated things  
09:54AM 15 that I just happen to draw a circle around. The  
09:54AM 16 collection means something and I think it means  
09:54AM 17 relationship.

09:54AM 18 So what you can see, what he's doing,  
09:54AM 19 he's not saying, well, I'm going to go with a different  
09:54AM 20 claim construction. He's applying his understanding,  
09:54AM 21 he's, in fact, explained what that is. So this may be  
09:54AM 22 cross-examination because their expert wants to say,  
09:54AM 23 no, a collection of data and operations doesn't have to  
09:54AM 24 be related in any way at all. It can be any random set  
09:54AM 25 of things I point to.

09:54AM 1 But Mr. Gray has to be allowed to apply  
09:54AM 2 his analysis of the Court's claim construction;  
09:55AM 3 otherwise, what we have is simply an expert getting up  
09:55AM 4 on the stand and saying, no, it's not found and another  
09:55AM 5 expert saying, yes, it is, which isn't helpful to the  
09:55AM 6 Jury whatsoever.

09:55AM 7 THE COURT: Well, as a general rule, the  
09:55AM 8 Court's claim construction order is binding on all the  
09:55AM 9 parties. We're not going to reopen it. It's not a  
09:55AM 10 matter for the Jury, it's a matter for the Court.  
09:55AM 11 We're not going to go back into it. I'm not going to  
09:55AM 12 allow witnesses or experts to reinterpret my  
09:55AM 13 construction.

09:55AM 14 That being said, it appears to me that  
09:55AM 15 this particular dispute is probably one that is best  
09:55AM 16 determined once we get to that point in the trial and  
09:55AM 17 the context is developed. I'm not going to unduly  
09:55AM 18 hamstring an expert, but I am going to draw a very  
09:56AM 19 bright line if an expert attempts to directly or  
09:56AM 20 indirectly contradict the claim construction order.

09:56AM 21 The Jury is going to have a copy of the  
09:56AM 22 claim construction terms and the Court's definitions in  
09:56AM 23 their Jury notebooks. My initial instructions to them  
09:56AM 24 are going to be that they are bound to those  
09:56AM 25 definitions and they must apply those definitions as I

09:56AM 1 have given them to them and I'm not going to allow  
09:56AM 2 somebody to come up and muddy the water in that regard.  
09:56AM 3 However, at this point I don't -- I don't think it's  
09:56AM 4 the most effective approach to grant a blanket Motion  
09:56AM 5 In Limine.

09:56AM 6 To a certain extent this Motion In Limine  
09:56AM 7 again falls into the let's comply with the rules  
09:56AM 8 category. As a general matter clearly construction of  
09:56AM 9 the Court is going to remain as is and not be  
09:56AM 10 challenged directly or indirectly by any expert.  
09:56AM 11 However, that being said, I'm going to deny the Motion  
09:56AM 12 In Limine.

09:57AM 13 But if Mr. Gray or anybody else during  
09:57AM 14 the course of the trial steps across that line, I'm  
09:57AM 15 going to expect the other side to object. If I'm  
09:57AM 16 convinced at that point in the development of the case  
09:57AM 17 and the presentation of the evidence that what's  
09:57AM 18 actually been said does, in fact, contradict in any  
09:57AM 19 manner the claim construction of the Court, I'm going  
09:57AM 20 to grant the objection. I'm going to instruct the Jury  
09:57AM 21 to disregard it and I'm going to tell the Jury I  
09:57AM 22 believe that the expert is trying to do just that.

09:57AM 23 So I think that's a pretty big penalty  
09:57AM 24 that should deter that kind of conduct. But I don't  
09:57AM 25 think at this point in advance of the trial starting, I

09:57AM 1 can stand back and say based on your arguments this is  
09:57AM 2 or isn't. I'm going to wait until the context  
09:57AM 3 develops.

09:57AM 4 So I'm going to deny the Motion In  
09:57AM 5 Limine, but I want everybody on notice the claim  
09:57AM 6 construction order is not going to be reargued or  
09:58AM 7 disputed or attacked directly or indirectly by any  
09:58AM 8 witness.

09:58AM 9 MR. NELSON: Understood, Your Honor.

09:58AM 10 THE COURT: If somebody goes there,  
09:58AM 11 they're going to pay a price for it from the Jury.

09:58AM 12 MR. NELSON: Understood.

09:58AM 13 THE COURT: All right. For the record,  
09:58AM 14 No. 6 is denied.

09:58AM 15 MR. NELSON: Thank you.

09:58AM 16 THE COURT: All right. Next is TiVo's  
09:58AM 17 Motion In Limine 7 regarding comparing the accused  
09:58AM 18 products to a preferred embodiment.

09:58AM 19 MR. IANCU: Your Honor, Andrei Iancu  
09:58AM 20 again. This one is quite straight forward. It's black  
09:58AM 21 letter law that the accused device can only be compared  
09:58AM 22 to the claims as construed by the Court. There cannot  
09:58AM 23 be a noninfringement argument raised by the Defendants  
09:58AM 24 through the comparison of the accused device to a  
09:58AM 25 commercial embodiment of the product, of the -- of the



09:58AM 1 patent, so they cannot compare the Motorola DVRs to  
09:59AM 2 TiVo's DVRs to argue noninfringement. Neither can they  
09:59AM 3 compare the accused device to other products out there;  
09:59AM 4 therefore, they cannot compare Motorola's DVRs to  
09:59AM 5 EchoStar products to argue noninfringement. Nor can  
09:59AM 6 they compare it to a -- to a preferred embodiment in  
09:59AM 7 the patent. The only appropriate comparison is between  
09:59AM 8 the accused device and the claims.

09:59AM 9 Motorola's argument in opposition, in  
09:59AM 10 their opposition papers is quite unclear. They seem to  
09:59AM 11 now be saying that they're not going to do that, but I  
09:59AM 12 would like to if they -- hear what they have to say  
09:59AM 13 here in court. If they're not going to do that,  
09:59AM 14 then --

09:59AM 15 THE COURT: You're going to get that  
09:59AM 16 opportunity in a minute.

09:59AM 17 MR. IANCU: Right. If they're not going  
09:59AM 18 to do that, then I suppose that -- that that resolves  
09:59AM 19 this motion. To the extent they argue that the  
09:59AM 20 evidence of TiVo's product is relevant to other issues  
09:59AM 21 in the case, well sure, there's no dispute about that.  
10:00AM 22 But it cannot be for a comparison to the accused device  
10:00AM 23 of the Motorola product and it certainly cannot be for  
10:00AM 24 them to argue noninfringement of our claims.

10:00AM 25 THE COURT: Well, let's hear from

10:00AM 1 Motorola and then I'll give you a chance to respond  
10:00AM 2 based on what they say.

10:00AM 3 MR. IANCU: Thank you.

10:00AM 4 MR. DeFRANCO: Morning again, Your Honor.  
10:00AM 5 Well, let me -- let me start by answering that question  
10:00AM 6 and also by saying this -- this seems to be another  
10:00AM 7 two-way street motion. We are not, Motorola is not,  
10:00AM 8 going to present noninfringement theories by saying  
10:00AM 9 that, you know, we -- we -- based on the comparison of  
10:00AM 10 the accused products, either to TiVo's commercial  
10:00AM 11 products or preferred embodiment in the patent, that's  
10:00AM 12 not what this is all about. They say it's black letter  
10:00AM 13 law that you can't do that; we don't disagree with  
10:00AM 14 that. We don't -- we expect them to follow that law as  
10:00AM 15 well on their side of the case. So let me make that  
10:01AM 16 clear, that's not --

10:01AM 17 THE COURT: Sounds like you're agreeing  
10:01AM 18 to the Motion In Limine as long as it's applied  
10:01AM 19 mutually.

10:01AM 20 MR. DeFRANCO: That's point number one,  
10:01AM 21 Your Honor, yes, as long as it's applied mutually, we  
10:01AM 22 think that should be a two-way street. But equally or  
10:01AM 23 more important, you know, if this is a -- if this  
10:01AM 24 motion is a premise for TiVo to try to keep out this  
10:01AM 25 evidence for the other purposes that we want to use it

10:01AM 1 for, legitimate purposes as we lay out, for example,  
10:01AM 2 the invalidity issue and commercial success, we're  
10:01AM 3 entitled to show that the features at issue here in  
10:01AM 4 their own products, not necessarily tied to their  
10:01AM 5 patent claims, do not necessarily lead to commercial  
10:01AM 6 success, do not necessarily help them get over the  
10:01AM 7 invalidity contentions here, that's one use that's  
10:01AM 8 separate and apart from this other issue that we're  
10:01AM 9 talking about. That's one legitimate use.

10:01AM 10 Another is -- that goes to the damages  
10:01AM 11 issue, whether or not, you know, the damages in this  
10:02AM 12 case are attributable to the patented feature, that's  
10:02AM 13 clearly a legitimate use for this. And then also the  
10:02AM 14 willfulness issue, I think that's one based on Your  
10:02AM 15 Honor's reserving its ruling on the EchoStar Motion In  
10:02AM 16 Limine, that -- that issue I think that makes it pretty  
10:02AM 17 plain.

10:02AM 18 There are going to be some sticky issues  
10:02AM 19 in this trial about what EchoStar-related evidence  
10:02AM 20 comes in, if any, but if some of that evidence does  
10:02AM 21 come in about positions taken in that case with respect  
10:02AM 22 to a willfulness defense, they may try to assert, well,  
10:02AM 23 we were on notice about the EchoStar case, so it was  
10:02AM 24 unreasonable, it was reckless for us to proceed in view  
10:02AM 25 of the infringement finding there. But we're entitled

10:02AM 1 to come back and say, well, we're different than  
10:02AM 2 EchoStar. Our product works differently from the  
10:02AM 3 EchoStar products.

10:02AM 4 So there's -- there are other uses for  
10:02AM 5 this -- for product-related comparisons in this case,  
10:03AM 6 including their admissions in earlier cases and what  
10:03AM 7 their experts have said, that don't in any way go to  
10:03AM 8 their point, the black letter law point, that you can't  
10:03AM 9 compare two things to make a noninfringement argument,  
10:03AM 10 but there are admissions about the way things work and  
10:03AM 11 what that means for the infringement analysis separate  
10:03AM 12 and apart from doing that apples to oranges comparison.  
10:03AM 13 And that's -- that's what we plan on using that  
10:03AM 14 evidence for. That will become clear as we proceed  
10:03AM 15 with expert testimony and that's a legitimate basis  
10:03AM 16 that I don't hear them arguing that it's not a  
10:03AM 17 legitimate basis.

10:03AM 18 THE COURT: Let me hear a response from  
10:03AM 19 TiVo.

10:03AM 20 MR. IANCU: What's clear, Your Honor, is  
10:03AM 21 that you simply cannot compare the accused device to  
10:03AM 22 another product, okay? And --

10:03AM 23 THE COURT: For no purpose at all?

10:03AM 24 MR. IANCU: Well --

10:03AM 25 THE COURT: Not just noninfringement?

10:03AM 1 MR. IANCU: -- if that's --

10:03AM 2 THE COURT: Any purpose?

10:03AM 3 MR. IANCU: -- that's correct because  
10:03AM 4 that misleads. So certainly for a noninfringement. So  
10:04AM 5 I think we have agreement on that, so the --

10:04AM 6 THE COURT: Do you have any problem  
10:04AM 7 with, if I grant this Motion In Limine, as to  
10:04AM 8 noninfringement it being applied mutually to your  
10:04AM 9 client as well?

10:04AM 10 MR. IANCU: No, and we don't make those  
10:04AM 11 arguments. So no, no problem with that.

10:04AM 12 Now, with respect to the various things  
10:04AM 13 that Mr. DeFranco raised, the issue of commercial  
10:04AM 14 success and features in our products being tied to the  
10:04AM 15 claims, well that's a comparison of the TiVo product to  
10:04AM 16 the claims. Again, product to claims; not product to  
10:04AM 17 product, though.

10:04AM 18 The same for damages or willfulness. It  
10:04AM 19 is not appropriate, it's never appropriate to compare  
10:04AM 20 the accused products to some other product, even for  
10:04AM 21 willfulness with respect to EchoStar. If they sat in  
10:04AM 22 their office, let's say, years ago and they're watching  
10:04AM 23 the EchoStar trial and they're saying, well, we are  
10:04AM 24 different from EchoStar, that is not an appropriate  
10:04AM 25 analysis for anything. They cannot be sitting in their

10:04AM 1 office and say, we don't infringe TiVo's patents  
10:05AM 2 because we're different from EchoStar.

10:05AM 3 The only proper analysis to be done here  
10:05AM 4 or back in their offices when they were looking at  
10:05AM 5 EchoStar is do we infringe the claims as construed by  
10:05AM 6 the Court. That's the only proper comparison.

10:05AM 7 THE COURT: Well, I think it's -- I  
10:05AM 8 think it's pretty well agreed that comparing the  
10:05AM 9 accused products to some other product or preferred  
10:05AM 10 embodiment is improper as a noninfringement theory and  
10:05AM 11 I don't hear any dispute about that.

10:05AM 12 Based on my earlier description of what a  
10:05AM 13 Order In Limine is, my inclination and what I'm going  
10:05AM 14 to do in this is I'm going to grant the Motion In  
10:05AM 15 Limine. I'm going to apply it mutually to both  
10:05AM 16 parties, all parties; however, at the point in the  
10:06AM 17 trial, Mr. DeFranco, where you believe the door has  
10:06AM 18 been opened and that kind of comparison is appropriate,  
10:06AM 19 you can approach the bench and you can seek leave and  
10:06AM 20 set forth your basis in a non -- in an area other than  
10:06AM 21 noninfringement and I'll take it up at that time.  
10:06AM 22 You're not precluded from that, but we're going to  
10:06AM 23 start out with the requirement that there must be an  
10:06AM 24 approach and leave obtained before going into it, that  
10:06AM 25 way I'll also have the benefit of the context at the

10:06AM 1 point in trial at which it -- which it occurs, but I  
10:06AM 2 don't think there's any question that for  
10:06AM 3 noninfringement purposes this is improper and I don't  
10:06AM 4 expect it to come in from either side for that purpose.

10:06AM 5 But for the record, TiVo's Motion In  
10:06AM 6 Limine 7 is granted.

10:06AM 7 All right. Let's go to Motion In Limine  
10:06AM 8 No. 8. And this is with regard to arguing practicing  
10:07AM 9 the prior art.

10:07AM 10 MR. IANCU: All right. With respect to  
10:07AM 11 Motion In Limine No. 8, again this is a question of  
10:07AM 12 black letter law. There is no practicing of prior art  
10:07AM 13 defense to infringement. The Federal Circuit has said  
10:07AM 14 that multiple times.

10:07AM 15 To argue noninfringement, Motorola and  
10:07AM 16 Time Warner cannot compare their products to the prior  
10:07AM 17 art devices such as ReplayTV. Now, in opposition,  
10:07AM 18 again, it's unclear whether they agree or disagree with  
10:07AM 19 that. They seem to agree. On the other hand, that is  
10:07AM 20 precisely what they keep saying over and over again.  
10:07AM 21 So simply looking at -- at the statements that have  
10:07AM 22 already been made, the comparison between the accused  
10:08AM 23 devices and ReplayTV are crystal clear and they should  
10:08AM 24 be stricken or precluded.

10:08AM 25 So for example, Mr. Gray in arguing for

10:08AM 1 noninfringement in his report says, quote: Given that  
10:08AM 2 the buffers in the ReplayTV DVR were indisputably large  
10:08AM 3 enough to avoid the need for automatic flow control, it  
10:08AM 4 necessarily follows that the same is true with respect  
10:08AM 5 to the accused Motorola DVRs, and so forth. So --

10:08AM 6 THE COURT: What's the difference,  
10:08AM 7 Counsel, between Motorola and Time Warner arguing we  
10:08AM 8 don't infringe because we use the large buffers instead  
10:08AM 9 of some other technology and them arguing we don't  
10:09AM 10 infringe because we use large buffers just like  
10:09AM 11 ReplayTV did? What's the difference between those two  
10:09AM 12 things?

10:09AM 13 MR. IANCU: Well, first of all, the  
10:09AM 14 first one is a proper, depending how it's exactly  
10:09AM 15 framed, but it's probably proper comparison between the  
10:09AM 16 claims and the accused device, okay?

10:09AM 17 The second one injects the prior art into  
10:09AM 18 the -- into the process. And what happens in that --  
10:09AM 19 at that time, this is why Courts reject the practicing  
10:09AM 20 the prior art defense, they're different standards of  
10:09AM 21 proof for invalidity. We don't -- and then you create  
10:09AM 22 a mini trial within a trial. We -- there is no  
10:09AM 23 analysis as to whether ReplayTV in the prior art  
10:09AM 24 practiced these particular claims. So from an  
10:09AM 25 infringement point of view, there is a dispute from a



10:09AM 1 validity point of view with a higher burden of proof as  
10:09AM 2 to whether ReplayTV anticipates or renders the claims  
10:10AM 3 obvious.

10:10AM 4 But you have to do that analysis  
10:10AM 5 separately. Compare ReplayTV and the buffers it has  
10:10AM 6 and all the other elements it has to the claims and  
10:10AM 7 decide validity of those claims, decide whether Replay  
10:10AM 8 invalidates the claims based on the clear and  
10:10AM 9 convincing standard and then put that aside. Then come  
10:10AM 10 to the infringement analysis and then say, compare the  
10:10AM 11 Motorola devices to the claims and you do that analysis  
10:10AM 12 under the lowest burden of proof, it's preponderance.

10:10AM 13 THE COURT: Well, I understand the  
10:10AM 14 burdens of proof for infringement and invalidity.

10:10AM 15 MR. IANCU: And as soon as you inject  
10:10AM 16 the prior art into the infringement analysis, not only  
10:10AM 17 is it improper as a matter of law, but in addition you  
10:10AM 18 create Jury confusion.

10:10AM 19 THE COURT: So what you're telling me,  
10:10AM 20 as long as they're talking about the actual mechanical  
10:10AM 21 technology that may or may not be what ReplayTV did, as  
10:11AM 22 long as they don't talk about ReplayTV but they talk  
10:11AM 23 about the large buffer and therefore on a scientific  
10:11AM 24 basis why it's not infringement, you don't see a  
10:11AM 25 problem with that?

10:11AM 1 MR. IANCU: Sure. I mean, there's going  
10:11AM 2 to be we don't agree with that technical position, of  
10:11AM 3 course --

10:11AM 4 THE COURT: I understand. That's what  
10:11AM 5 we have the lawsuit about.

10:11AM 6 MR. IANCU: That's right.

10:11AM 7 THE COURT: All right. Let me have a  
10:11AM 8 response from Motorola.

10:11AM 9 MR. DeFRANCO: Thank you, Your Honor.  
10:11AM 10 First, again, we're not going to take the position that  
10:11AM 11 if we don't infringe because we practice the prior art.  
10:11AM 12 We agree once again, black letter law, neither side  
10:11AM 13 should be able to do that. But that's really not what  
10:11AM 14 the issue is here.

10:11AM 15 It doesn't matter for -- for the -- what  
10:11AM 16 we want to use, facts, admissions relating to Replay  
10:11AM 17 for on this issue, it doesn't matter whether or not  
10:11AM 18 it's prior art. For example, if -- if we -- we have  
10:12AM 19 evidence that their experts or fact witnesses say, well  
10:12AM 20 you know, Replay doesn't invalidate their patents  
10:12AM 21 because it's got -- it doesn't have automatic flow  
10:12AM 22 control, that's an admission that large buffers and  
10:12AM 23 it's something different than automatic flow control.  
10:12AM 24 And in fact, that's the position that their invalidity  
10:12AM 25 expert takes.

10:12AM 1 Their infringement expert takes the exact  
10:12AM 2 opposite position. He says that when Motorolas have  
10:12AM 3 large buffers and -- and that is automatic flow  
10:12AM 4 control. So you have their invalidity expert saying  
10:12AM 5 it's not large buffers, don't invalidate a claim, go  
10:12AM 6 into automatic flow control. And you've got your --  
10:12AM 7 your infringement expert taking the exact opposite  
10:12AM 8 position. We think that's why they have two experts.  
10:12AM 9 You can't have one person talking out of both sides of  
10:12AM 10 their mouth. They're going to put one expert on to say  
10:12AM 11 one thing and another expert on to say another.

10:12AM 12 THE COURT: You've never seen one person  
10:12AM 13 talk out of both sides of their mouth?

10:12AM 14 MR. DeFRANCO: I've never seen them get  
10:13AM 15 away with it down here, Your Honor, but --

10:13AM 16 THE COURT: All right.

10:13AM 17 MR. DeFRANCO: So you know, that --  
10:13AM 18 that's a fact in this case. We're going to be crossing  
10:13AM 19 their experts on it. The Jury is going to hear about  
10:13AM 20 that, obviously, and we're entitled to do that.

10:13AM 21 But Replay is part of the story and they  
10:13AM 22 can't excise, it carve it out of the case by saying  
10:13AM 23 that we're trying to make this, we're practicing the  
10:13AM 24 prior art argument. We're not doing that. But it's a  
10:13AM 25 fact that Replay has large buffers.

10:13AM 1 It's a fact that we licensed that  
10:13AM 2 technology and got rights to that IP for that very  
10:13AM 3 reason, so we could do it the Replay way. Are we  
10:13AM 4 saying -- we're not saying that Replay is prior art in  
10:13AM 5 that instance or we're practicing prior art, we're  
10:13AM 6 saying we went out and got the part of our story or  
10:13AM 7 defense of this case, we licensed the Replay  
10:13AM 8 technology. Its large buffer. We do it differently.

10:13AM 9 And you know, for them to say, well,  
10:13AM 10 that's a practice of the prior art defense, that's not  
10:13AM 11 it at all. That's a -- that's a fact in this case.  
10:13AM 12 It's not -- that has nothing to do with whether or not  
10:13AM 13 Replay is prior art. So their admissions by fact  
10:13AM 14 witnesses, their admissions by their experts, their --  
10:14AM 15 the contradiction between their invalidity and  
10:14AM 16 infringement experts, that's all fair game for us to  
10:14AM 17 rely on in our defense and they can't prevent us from  
10:14AM 18 doing that by saying that, you know, somehow we're  
10:14AM 19 making a practicing-the-prior-art argument, because  
10:14AM 20 that's -- that's not the -- that's not the case at all.

10:14AM 21 And then with respect to the, you know,  
10:14AM 22 the -- our practice of the '714 patent, Your Honor,  
10:14AM 23 it's the same issue there again. We're not making that  
10:14AM 24 argument with respect to the '714 patent. We lay out  
10:14AM 25 in our brief several other legitimate reasons that

10:14AM 1 we're -- you know, we're entitled to say, of course,  
10:14AM 2 that we're using our own patent, but you know that's  
10:14AM 3 not -- we're not using that solely for noninfringement  
10:14AM 4 argument, we have other legitimate uses for that; (1)  
10:14AM 5 or (2)(f) defense to rebut their -- also to rebut their  
10:14AM 6 secondary considerations argument and it's also, of  
10:14AM 7 course, relevant to damages issues in the case.

10:15AM 8 So I think again that that clearly is an  
10:15AM 9 issue that, as the evidence comes in, you'll see that  
10:15AM 10 we're not in any way using it in the way they -- they  
10:15AM 11 assert we are.

10:15AM 12 THE COURT: And my inclination here is  
10:15AM 13 to treat this just like the prior Motion In Limine.  
10:15AM 14 There is clearly a black letter rule that you don't  
10:15AM 15 argue you're practicing the prior art and I think  
10:15AM 16 that's appropriate for protection through a Motion In  
10:15AM 17 Limine. But I think some of your points are well made,  
10:15AM 18 Counsel, but I believe that the Court can better deal  
10:15AM 19 with it within the context of the trial; therefore, I'm  
10:15AM 20 going to order you to approach before you go into  
10:15AM 21 ReplayTV. You may very well get leave based on where  
10:15AM 22 we are and what the context is, but I want to -- I  
10:15AM 23 think as a precaution about injecting prior art in an  
10:15AM 24 improper manner, you need to approach and get leave  
10:15AM 25 first.

10:15AM 1 So with that explanation, I'm going to  
10:15AM 2 grant the Motion In Limine.

10:16AM 3 MR. DeFRANCO: Your Honor there -- there  
10:16AM 4 will be some issues in opening that may touch on this,  
10:16AM 5 like the fact that we have a license from Replay and  
10:16AM 6 those sorts of issues.

10:16AM 7 THE COURT: Then you'll need to --  
10:16AM 8 you'll need to communicate with me before you do your  
10:16AM 9 opening. And I've made this clear before, I think, but  
10:16AM 10 just in case there's any doubt, I'll be in chambers an  
10:16AM 11 hour before anything starts any day of the trial. That  
10:16AM 12 hour is there to take up matters that may come up  
10:16AM 13 overnight or on day one that may come up as a part of  
10:16AM 14 opening. So we'll have plenty of time to go into that.  
10:16AM 15 I can give you guidance on that before you do your  
10:16AM 16 opening.

10:16AM 17 MR. DeFRANCO: Thank you.

10:16AM 18 THE COURT: All right. We'll take up  
10:17AM 19 TiVo's Motion In Limine No. 9 now.

20 MS. GORDNIA: I'll be --

21 THE REPORTER: I can't hear you.

22 THE COURT: You're going to need to speak  
23 into the --

24 MS. GORDNIA: Sorry.

25 THE COURT: -- microphone, please. You

1 can pull it towards you or whatever.

10:17AM 2 MS. GORDNIA: Your Honor, Motion In  
10:17AM 3 Limine No. 9 also address ReplayTV. This motion is  
10:17AM 4 directed to two specific pieces of evidence that we  
10:17AM 5 know Motorola and Time Warner Cable intend to rely on  
10:17AM 6 for the invalidity of their arguments, for the  
10:17AM 7 invalidity to the '389 patent and --

10:17AM 8 THE COURT: Let me stop you just a  
10:17AM 9 second, Counsel. Identify yourself for the record,  
10:17AM 10 please.

10:17AM 11 MS. GORDNIA: Talin Gordnia --

10:17AM 12 THE COURT: Okay.

10:17AM 13 MS. GORDNIA: -- Irell & Manella.

10:17AM 14 THE COURT: Thank you. Go ahead.

10:17AM 15 MS. GORDNIA: These two pieces of  
10:17AM 16 evidence are a ReplayTV set-top box from the years 1999  
10:17AM 17 or later, we actually don't know the date of the box,  
10:17AM 18 as well as ReplayTV's first code that a former ReplayTV  
10:17AM 19 engineer testified he had in his home for over a decade  
10:17AM 20 and handed over to Counsel in a prior matter. And he  
10:17AM 21 testified that this code was from the first shipping  
10:18AM 22 unit of ReplayTV in 1999.

10:18AM 23 Now, TiVo's '389 patent was filed July  
10:18AM 24 30th, 1998, so it's undisputed that these two pieces of  
10:18AM 25 evidence, the box and the code, are too late to be

10:18AM 1 prior art. And TiVo's concern is that TiVo will be  
10:18AM 2 unfairly prejudiced by having this box shown to the  
10:18AM 3 Jury and presented to the Jury as though it was prior  
10:18AM 4 art when it is, in fact, not and Motorola and Time  
10:18AM 5 Warner Cable haven't argued that it is.

10:18AM 6 THE COURT: Let me -- let me ask you  
10:18AM 7 this, Counsel: It appears to me that we're arguing  
10:18AM 8 about exhibits, tangible exhibits, at this point. If  
10:18AM 9 we are, I'd rather take them up like we did before when  
10:18AM 10 we take up the disputed exhibits in the case.

10:18AM 11 If this goes beyond these particular  
10:18AM 12 matters of tangible evidence, let me know.

10:18AM 13 MS. GORDNIA: Your Honor, this is  
10:18AM 14 slightly different than the prior motion we discussed,  
10:18AM 15 No. 5. The reason is ReplayTV is one of the primary  
10:18AM 16 references. It goes to one of the key arguments that  
10:18AM 17 the other side is making for the invalidity of TiVo's  
10:19AM 18 patent, so it goes beyond simply just --

10:19AM 19 THE COURT: So the difference is it's  
10:19AM 20 really important evidence.

10:19AM 21 MS. GORDNIA: It's important in that it  
10:19AM 22 refutes their -- their arguments in a way that the  
10:19AM 23 others didn't, perhaps.

10:19AM 24 THE COURT: All right. I'll allow you  
10:19AM 25 to continue.



10:19AM 1 MS. GORDNIA: Thank you. So the -- the  
10:19AM 2 key issue here is that this device and code are too  
10:19AM 3 late to be prior art. There's no dispute over that  
10:19AM 4 fact. The other reasons that Counsel has presented in  
10:19AM 5 their response also are not -- don't overcome the --  
10:19AM 6 the prejudice that TiVo would suffer from having this  
10:19AM 7 box shown to the Jury as over prior art when it's not.  
10:19AM 8 We've already discussed that practicing  
10:19AM 9 the prior art is not a defense, so that's -- there's no  
10:19AM 10 reason for the box to be before the Jury for that  
10:19AM 11 reason. Also we know that their expert has not  
10:19AM 12 actually analyzed the boxes for the purposes of non --  
10:19AM 13 noninfringing alternatives argument. He had testified  
10:20AM 14 in his deposition that he didn't analyze the ReplayTV  
10:20AM 15 box, so there's really no argument that can be made  
10:20AM 16 that would make these -- the box and the code relevant  
10:20AM 17 and the only thing it does is prejudice TiVo by  
10:20AM 18 presenting something that may confuse them and may look  
10:20AM 19 like prior art when it's not.  
10:20AM 20 THE COURT: Well, I haven't heard  
10:20AM 21 anything that persuades me that these are not the kind  
10:20AM 22 of issues that are addressed with each exhibit that's  
10:20AM 23 in dispute. I'm going to deny the Motion In Limine,  
10:20AM 24 but I'm going to allow you to reurge it when we get to  
10:20AM 25 the exhibit objections.

10:20AM 1 MS. GORDNIA: Thank you, Your Honor.

10:20AM 2 THE COURT: Okay. All right. Let's

10:20AM 3 next take up TiVo's Motion In Limine 10.

10:20AM 4 MR. BIRNHOLZ: Good morning, Your Honor.

10:20AM 5 Richard Birnholz again.

10:20AM 6 Motion In Limine No. 10 relates to a

10:20AM 7 larger category of exhibits, testimony, and argument

10:21AM 8 that relate to the Grass Valley set of prior art and

10:21AM 9 there are a number of issues that are implicated with

10:21AM 10 the Grass Valley evidence. The -- Motorola has relied

10:21AM 11 extensively on what it's going to call at trial the PDR

10:21AM 12 system and that's another name to refer to the Grass

10:21AM 13 Valley products.

10:21AM 14 But the PDR system does not exist in the

10:21AM 15 abstract as an -- as an item of prior art. What exists

10:21AM 16 are the particulars that underlie that and when you

10:21AM 17 deconstruct the evidence, you see that there's a

10:21AM 18 variety of improper pieces of evidence that are going

10:21AM 19 to be submitted at the trial and paraded before the

10:21AM 20 Jury.

10:21AM 21 The Motion In Limine relates to devices

10:21AM 22 and code and the corresponding argument and expert

10:22AM 23 testimony that relate to them. The experts and

10:22AM 24 possibly Motorola in its opening presentation or other

10:22AM 25 presentations will put in front of the Jury devices.

10:22AM 1 The physical devices have not been established as in  
10:22AM 2 the same condition as what they were as items of prior  
10:22AM 3 art. So we have boxes as they exist today. We don't  
10:22AM 4 know what modifications have been made to them. We  
10:22AM 5 don't know what code is running on the boxes and  
10:22AM 6 there's no way to date those boxes, the devices, as  
10:22AM 7 prior art. And so the -- Motorola should not be  
10:22AM 8 permitted to parade devices in front of the Jury that  
10:22AM 9 cannot be established to be prior art since we know  
10:22AM 10 nothing about those particular devices. The experts  
10:22AM 11 couldn't identify the code that was on those boxes and  
10:22AM 12 they didn't know what condition those boxes were in the  
10:22AM 13 prior art period.

10:23AM 14 So the devices should be excluded because  
10:23AM 15 they can't be established to be prior art. We don't  
10:23AM 16 know what they really are and that they were in the  
10:23AM 17 same condition that they were in the prior art period.  
10:23AM 18 And we know for one of the devices that it was not as  
10:23AM 19 originally released because there's a function on one  
10:23AM 20 of the boxes that the version 2.1 box, Exhibit 1698,  
10:23AM 21 that has a function that didn't exist when the box was  
10:23AM 22 first released. So there obviously were some  
10:23AM 23 modifications and that underscores the point that we  
10:23AM 24 don't know exactly what these devices are and to  
10:23AM 25 portray them as prior art would be inappropriate.

10:23AM 1 The other significant piece on this  
10:23AM 2 Motion In Limine relates to Grass Valley code, version  
10:23AM 3 2.2, which is simply too late to be prior art. And  
10:23AM 4 it's black letter law that a party nor an expert nor a  
10:24AM 5 witness can portray a particular item of code as prior  
10:24AM 6 art that's too late. And so there are a variety of  
10:24AM 7 theories to which this relates to and so we want to cut  
10:24AM 8 it off at the pass through this Motion In Limine which  
10:24AM 9 says version 2.2 should be excluded because it's too  
10:24AM 10 late.

10:24AM 11 And when you look at the dates, the  
10:24AM 12 evidence of version 2.2 is established to be released  
10:24AM 13 in October of 1997, crediting the other side's evidence  
10:24AM 14 on this issue. The '195 patent priority date is  
10:24AM 15 October 10th, 1997, which is before the date that the  
10:24AM 16 other side admits that this code was released and the  
10:24AM 17 device bearing that code.

10:24AM 18 THE COURT: Let me ask you this,  
10:24AM 19 Counsel: We have this Motion In Limine, we have, I  
10:24AM 20 assume, objections to -- for the actual introduction of  
10:24AM 21 these exhibits as evidence, and then you have a pending  
10:25AM 22 Daubert motion as to the argument as to what the effect  
10:25AM 23 of these are. Why -- so we've got -- we've got this  
10:25AM 24 same issue on various fronts. Why is it appropriate to  
10:25AM 25 be heard as a Motion In Limine rather than to be

10:25AM 1 carried and dealt with as part of the Daubert or on the  
10:25AM 2 actual introduction of the exhibits themselves?

10:25AM 3 MR. BIRNHOLZ: Because the Motion In  
10:25AM 4 Limine, as I started, covers the expert testimony, the  
10:25AM 5 physical exhibits, and the argument as well as evidence  
10:25AM 6 from some fact witnesses that we don't -- which we  
10:25AM 7 don't know what the other side is going to introduce.  
10:25AM 8 The ruling here on the Motion In Limine would clearly  
10:25AM 9 be related to the Court's handling of the exhibits and  
10:25AM 10 the Daubert. This is a larger set of arguments that  
10:25AM 11 apply to those more narrow arguments, that's why we  
10:25AM 12 raised it in addition to the Daubert as a Motion In  
10:25AM 13 Limine.

10:25AM 14 THE COURT: All right. Continue.

10:25AM 15 MR. BIRNHOLZ: Thank you, Your Honor.  
10:26AM 16 So the 2.2 code we know is not prior art to the '195  
10:26AM 17 patent and the device that ran that 2.2 code because  
10:26AM 18 it's too late. So the experts and the parties should  
10:26AM 19 not get up there and say that it is because it's not  
10:26AM 20 prior art. It's also indisputably not prior art under  
10:26AM 21 Section 102(b) which requires that the product and the  
10:26AM 22 device be on sale more than a year before the priority  
10:26AM 23 date and -- before the filing of the patent, excuse me.  
10:26AM 24 So that date is July 30th, 1997, that would be the one  
10:26AM 25 year bar date. Again, we know that the version two

10:26AM 1 code and device does not predate July 30th, 1997, under  
10:26AM 2 any stretch or form. And so version 2.2 can't be  
10:26AM 3 written, it can't be described as prior art under that  
10:26AM 4 theory.

10:26AM 5 Now, under other theories with regard to  
10:26AM 6 the '389 and '465 patent, Motorola argues, well, this  
10:27AM 7 just turns on the date that you're arguing for your  
10:27AM 8 conception date and if you lose that date, you have a  
10:27AM 9 later priority date and so this is all prior art. The  
10:27AM 10 problem with that argument, Your Honor, is that when  
10:27AM 11 you look at the 2.2 code that was produced and on which  
10:27AM 12 Motorola tends to rely, the files say 1998, 1999, 2000.  
10:27AM 13 So this is not an issue of, well, is it November of '97  
10:27AM 14 or July of '98. The version 2.2 code is dated. There  
10:27AM 15 are files in that code that's dated well after that,  
10:27AM 16 years after. And so again we have a problem where we  
10:27AM 17 have this label of the PDR system and a variety of  
10:27AM 18 pieces of evidence that are not prior art.

10:27AM 19 So with that, Your Honor, we would ask  
10:27AM 20 that the Court exclude evidence, testimony, and  
10:27AM 21 argument relating to the devices which have not been  
10:27AM 22 properly established to be prior art and the version  
10:27AM 23 2.2 code, which is also not prior art.

10:28AM 24 One other argument is that the code has  
10:28AM 25 also been kept confidential by Grass Valley and

10:28AM 1 proprietary to Grass Valley and therefore does not  
10:28AM 2 qualify as prior art under 102(g).

10:28AM 3 THE COURT: All right. Let me have a  
10:28AM 4 response from Motorola.

10:28AM 5 MR. NELSON: Thank you, Your Honor.  
10:28AM 6 Dave Nelson again.

10:28AM 7 So few issues. I mean, one, we certainly  
10:28AM 8 have the issue with respect to the code that they said  
10:28AM 9 that there are -- there is a dispute with respect to  
10:28AM 10 the prior art date, so there's no question. So that  
10:28AM 11 the idea that some of this may come after the '195  
10:28AM 12 patent is really not -- that's a separate issue from  
10:28AM 13 what it does with respect to the other two patents  
10:28AM 14 where those dates are in dispute.

10:29AM 15 And in fact, even the date that Counsel  
10:29AM 16 gave you is prior to any date that TiVo contends for  
10:29AM 17 the '389 patent. So it would be prior art even if TiVo  
10:29AM 18 were to establish its earlier conception dates and I  
10:29AM 19 think Your Honor has the motion for summary judgment  
10:29AM 20 pending on some of those issues that would not be --  
10:29AM 21 that would not be relevant.

10:29AM 22 But see, here's the deal with this,  
10:29AM 23 the -- the devices themselves, as Counsel said, the  
10:29AM 24 PDR200, that development starts back in April of 1997.  
10:29AM 25 There are various versions, you know, of software that

10:29AM 1 were on there. The devices themselves have about  
10:29AM 2 screens that say what version of software they're  
10:29AM 3 running. We have testimony from Grass Valley witnesses  
10:29AM 4 that have said, yes, those are the Grass Valley  
10:29AM 5 devices, this is the version of code that that ran.  
10:29AM 6 Talk about what changes there would be in the code and  
10:29AM 7 the fact that a particular version had all the  
10:30AM 8 functions in that code. All of those things go to the  
10:30AM 9 idea of what is it that was publicly available at the  
10:30AM 10 time.

10:30AM 11 And so what Counsel is trying to do is  
10:30AM 12 something that the Federal Circuit has rejected a  
10:30AM 13 number of times, which is trying to dissect all the  
10:30AM 14 pieces of evidence and say, well, this standing alone  
10:30AM 15 couldn't be the -- the only piece of prior art or  
10:30AM 16 couldn't be invalidating prior art. This standing  
10:30AM 17 alone couldn't be invalidating prior art. But that's  
10:30AM 18 not what you're supposed to do.

10:30AM 19 So for example in the Adenta case that we  
10:30AM 20 cited, that's 501 F.3d, Your Honor, 1364, it's a 2007  
10:30AM 21 Federal Circuit case, that had to do with the on-sale  
10:30AM 22 bar under 102(b), but the same basic idea. There what  
10:30AM 23 the Court looked at, as is said, we need to look at  
10:30AM 24 this collective body of evidence as a factual issue to  
10:30AM 25 determine what was actually on sale at the time. So



10:31AM 1 what much of this evidence is directed to is  
10:31AM 2 establishing exactly that.

10:31AM 3 And furthermore, establishing the due  
10:31AM 4 diligence and the lack of abandonment, suppression, or  
10:31AM 5 concealment under 102(g), right? So if you start  
10:31AM 6 development of something in 1987 and you have a product  
10:31AM 7 that you release and then you continue to work on that  
10:31AM 8 and you have another product and eventually you get to  
10:31AM 9 the point of releasing that to the public, then all  
10:31AM 10 that evidence is relevant to show that there was no  
10:31AM 11 abandonment, suppression, or concealment dating that  
10:31AM 12 back to the 1997 time frame.

10:31AM 13 So we have one, what's the relevant  
10:31AM 14 information to show the features of the product that  
10:31AM 15 were on sale; and two, what's the relevant information  
10:31AM 16 to show to establish this as being prior art under  
10:31AM 17 102(g). And in fact, even in the Adenta case, they  
10:32AM 18 looked at things after the critical date in that case  
10:32AM 19 to show what it was that was publicly on sale at the  
10:32AM 20 time. So that -- we have that issue here.

10:32AM 21 But in addition, this issue came up in a  
10:32AM 22 trial that I had in front of Judge Sleet, actually,  
10:32AM 23 last December where the -- the other side tried to  
10:32AM 24 argue that, well, this -- we were relying on source  
10:32AM 25 code, product manuals, all those things to show what

10:32AM 1 the functionality was of the accused device -- or  
10:32AM 2 excuse me, the prior art device. The prior art device  
10:32AM 3 was the reference.

10:32AM 4 And the other side tried to come in and  
10:32AM 5 say, well, the source code, that was confidential,  
10:32AM 6 right, that in and of itself was confidential, so you  
10:32AM 7 can't rely on that. That -- and in -- and in fact,  
10:32AM 8 when they tried to make that argument, Judge Sleet shut  
10:32AM 9 them down and said that's an improper statement under  
10:32AM 10 the law, because all of those things are relevant to  
10:33AM 11 show what the functionality was of the accused device  
10:33AM 12 at the time.

10:33AM 13 So to take the individual piece of  
10:33AM 14 evidence and try to dissect it and say, well, that, you  
10:33AM 15 know, the source code standing alone in and of itself,  
10:33AM 16 that wouldn't be relevant prior art because it was  
10:33AM 17 secret. Well, that's not the test, right? Is that  
10:33AM 18 relevant to show the functionality of the device. Is  
10:33AM 19 that relevant to show that there was no abandon,  
10:33AM 20 suppression or concealment of -- during this  
10:33AM 21 development of the invention, the answer is yes.

10:33AM 22 So now, in terms of the authentication  
10:33AM 23 that was raised, I think, and perhaps this goes to some  
10:33AM 24 individual exhibit issues that Your -- Your Honor has  
10:33AM 25 that you don't want to address now, but we do have

10:33AM 1 testimony from the Grass Valley witnesses  
10:33AM 2 authenticating these pieces of evidence, authenticating  
10:33AM 3 the code, authenticating the device and saying, yes,  
10:33AM 4 those are Grass Valley devices. So there is testimony  
10:33AM 5 through deposition and, perhaps, through witnesses at  
10:34AM 6 trial, depending on who -- who comes to authenticate  
10:34AM 7 those things and those people can be cross-examined  
10:34AM 8 with respect to these issues. But as a threshold issue  
10:34AM 9 to try to keep all of this information out on a Motion  
10:34AM 10 In Limine is improper.

10:34AM 11 THE COURT: All right. Response, Mr.  
10:34AM 12 Birnholz?

10:34AM 13 MR. BIRNHOLZ: Thank you, Your Honor.  
10:34AM 14 I'd like to respond by commenting on the Adenta case  
10:34AM 15 and use that as the springboard for some other points.

10:34AM 16 The Adenta case wasn't -- it does not  
10:34AM 17 stand for the proposition that you can consider the  
10:34AM 18 body of evidence that comes before and after the prior  
10:34AM 19 art -- prior art date. What the Adenta case was, there  
10:34AM 20 was a subsequent piece of information that referred  
10:34AM 21 specifically to a prior art use. So you add something  
10:34AM 22 that came later that referred to the prior art as at  
10:34AM 23 the appropriate time.

10:34AM 24 What we have here is a situation when  
10:34AM 25 Motorola wants to use evidence that is not from the

10:35AM 1 prior art time frame and to blur the line and to let  
10:35AM 2 the Jury believe that all this evidence, the devices  
10:35AM 3 and the code and things that came later are actually  
10:35AM 4 representative of the prior art and that's not  
10:35AM 5 permissible, because what is later is not prior art.

10:35AM 6 Now, I have no problem with the other  
10:35AM 7 side using a variety of pieces of evidence, whether  
10:35AM 8 it's a document or a device or code, if it is, in fact,  
10:35AM 9 prior art. And that's -- that's the problem here is  
10:35AM 10 we've got some evidence that will be -- that -- that  
10:35AM 11 may be prior art, but we have a whole host of evidence  
10:35AM 12 that is not; the devices and the code and the evidence  
10:35AM 13 and argument about those devices and code that come  
10:35AM 14 later. So the point of the -- of the motion is that  
10:35AM 15 all these things are not tied to the right time frame.

10:36AM 16 And the devices, we have a device where  
10:36AM 17 you load up an about screen and the about screen even  
10:36AM 18 on its face if you look in the -- the other side's  
10:36AM 19 brief says for the version for the about screen is from  
10:36AM 20 2012, because that's when that -- either that's when  
10:36AM 21 that about screen was run or maybe someone from Grass  
10:36AM 22 Valley got it working. The point is we don't know and  
10:36AM 23 we also don't know that that information dates from the  
10:36AM 24 right period.

10:36AM 25 There's no basis to say that it does and

10:36AM 1 the version 2.2 code we know does not date from the  
10:36AM 2 right period. It's not prior art to the '195 patent  
10:36AM 3 and it's not prior art to the -- to the '389 and the  
10:36AM 4 '465, the code that -- that Motorola wants to rely on  
10:36AM 5 has files going to '98, '99, 2000. And so those pieces  
10:36AM 6 of evidence and argument about it should be excluded.

10:36AM 7 THE COURT: Well, this appears to have  
10:37AM 8 pretty broad application to me and I think the Court  
10:37AM 9 could benefit by reviewing again the Adenta case. So  
10:37AM 10 I'm going to carry this Motion In Limine and review the  
10:37AM 11 authority cited. That in no way prejudices the parties  
10:37AM 12 to move forward with their pending objections as to the  
10:37AM 13 exhibits or the pending Daubert.

10:37AM 14 But for Motion In Limine purposes, I'm  
10:37AM 15 going to carry this for the time being.

10:37AM 16 MR. BIRNHOLZ: Thank you, Your Honor.

10:37AM 17 THE COURT: All right. Motion In Limine  
10:37AM 18 11 from TiVo regarding the iMedia Home Video Server.

10:37AM 19 MS. GORDNIA: Talin Gordnia again with  
10:37AM 20 Irell & Manella.

10:37AM 21 Your Honor, TiVo's Motion In Limine No.  
10:37AM 22 11 is directed to what actually the experts from  
10:37AM 23 Motorola and Time Warner Cable have generated a title,  
10:38AM 24 they call something that no longer exists the home  
10:38AM 25 video server prototype. This prototype is not

10:38AM 1 something that we've seen that's been produced for  
10:38AM 2 inspection, that can be shown to the Jury. It's  
10:38AM 3 something that maybe once existed.

10:38AM 4 There's argument and some testimony about  
10:38AM 5 it. There's other evidence that relates to the work  
10:38AM 6 that was done by iMedia at some point, but then the  
10:38AM 7 engineers at iMedia have testified time and time again  
10:38AM 8 that they abandoned that work. They didn't show the  
10:38AM 9 code underlying their iMedia, we'll call it prototype,  
10:38AM 10 because we don't really know what else it is, but they  
10:38AM 11 never showed that quote to anyone. It was proprietary.

10:38AM 12 It can't be 102(g) art because it was  
10:38AM 13 concealed and also it was abandoned. They said over  
10:38AM 14 and over in their depositions that they focused on  
10:38AM 15 other products of their company. They did not complete  
10:38AM 16 the device that they were working on and they just left  
10:38AM 17 it. And so for those reasons, whatever this iMedia  
10:38AM 18 prototype was which no longer exists, we know that it  
10:38AM 19 was abandoned and cannot be prior art under 102(g).

10:39AM 20 And having arguments, evidence, and  
10:39AM 21 information presented to the Jury about it is -- is  
10:39AM 22 irrelevant for the purposes of the validity of TiVo's  
10:39AM 23 patents and for those reasons it should be not part of  
10:39AM 24 this case.

10:39AM 25 THE COURT: All right. Response from

10:39AM 1 Motorola, Time Warner?

10:39AM 2 MR. NELSON: Thank you, Your Honor.

10:39AM 3 And -- and with respect to that last one as well, we  
10:39AM 4 actually do have a time line if you're -- that kind of  
10:39AM 5 lays out some of the things that I talked about that  
10:39AM 6 may be helpful to Your Honor to consider. If you need  
10:39AM 7 that, let us know, but --

10:39AM 8 THE COURT: Well, anything that both  
10:39AM 9 sides meet and confer on and --

10:39AM 10 MR. NELSON: Yeah.

10:39AM 11 THE COURT: -- you submit to the Court,  
10:39AM 12 I'll look at, but --

10:39AM 13 MR. NELSON: Okay.

10:39AM 14 THE COURT: -- we're not -- not going to  
10:39AM 15 take something from one side or --

10:39AM 16 MR. NELSON: No, no --

10:39AM 17 THE COURT: -- not the other.

10:39AM 18 MR. NELSON: -- I understand that, Your  
10:39AM 19 Honor.

10:39AM 20 THE COURT: Okay.

10:39AM 21 MR. NELSON: Just something that  
10:39AM 22 makes -- gives a little bit --

10:39AM 23 THE COURT: If you both agree the time  
10:39AM 24 line is accurate, I'll be glad to look at it.

10:39AM 25 MR. NELSON: Okay. Thank you. And

10:40AM 1 I'll -- I'll talk to Mr. Birnholz --

10:40AM 2 THE COURT: Yes.

10:40AM 3 MR. NELSON: -- about that before we head  
10:40AM 4 up.

10:40AM 5 So with respect to the -- the Motion In  
10:40AM 6 Limine No. 11, this is the -- the iMedia, it is prior  
10:40AM 7 art under 102(g) and that's what this evidence goes to.  
10:40AM 8 So I think what we have is a little -- we have, one, a  
10:40AM 9 misstatement of the law; and two, a -- I believe a  
10:40AM 10 mischaracterization of some of the testimony.

10:40AM 11 So what you have here is a situation  
10:40AM 12 where the iMedia gentleman developed a program of this  
10:40AM 13 home video server. They were asked questions about  
10:40AM 14 whether they abandoned that, using the term, meaning if  
10:40AM 15 you look at the context of the depositions, did they  
10:40AM 16 develop that commercially. Develop it as a commercial  
10:40AM 17 product and sell it. No, they decided to go in a  
10:40AM 18 different direction. That was their answer.

10:40AM 19 But in terms of the home video server  
10:40AM 20 itself, it was never abandoned in a legal context. In  
10:41AM 21 fact, the testimony from the -- the iMedia gentleman is  
10:41AM 22 that that home video server was shown publicly several  
10:41AM 23 times, both in support of other product sales and  
10:41AM 24 initially before the idea was taken to not pursue that  
10:41AM 25 commercially. So that in and of itself, the fact that



10:41AM 1 there was this public use, this public disclosure,  
10:41AM 2 shows that there's no abandonment, suppression or  
10:41AM 3 concealment and there's several cases that we'd cite to  
10:41AM 4 Your Honor with respect to that.

10:41AM 5 So for example, this is in the -- in the  
10:41AM 6 papers, the Friction Division versus E.I. DuPont De  
10:41AM 7 Nemours and that is a District of Delaware case again,  
10:41AM 8 658 F. Supp. 998. There it talks about the long line  
10:41AM 9 of cases that says making the invention -- or public  
10:42AM 10 use of the invention without disclosing the details of  
10:42AM 11 it is sufficient to negate any intention to abandon,  
10:42AM 12 suppress, or conceal.

10:42AM 13 So what TiVo is doing is kind of mixing  
10:42AM 14 up things. And what they're saying is, well, whatever  
10:42AM 15 the public use is, that has to disclose all the details  
10:42AM 16 of what you're claiming to be the invention. That's  
10:42AM 17 not true, that's not the law.

10:42AM 18 I think they cite the Avatex case for  
10:42AM 19 that principle, Your Honor. The Avatex case actually  
10:42AM 20 didn't hold that. In fact, in that case it held that  
10:42AM 21 there was no abandonment of the invention, despite some  
10:42AM 22 delay between that and making it public. And there  
10:42AM 23 what TiVo seizes on some language that says, well, if  
10:42AM 24 you could reverse engineer it. In other words, that  
10:42AM 25 was a -- it was a method for making some particular

10:42AM 1 drug that was at issue in that case, and what they said  
10:42AM 2 is if you could reverse engineer it from the actual  
10:43AM 3 drug that was disclosed, then that would be evidence  
10:43AM 4 that there was no abandonment. They never held you  
10:43AM 5 need to be able to reverse engineer it. That wasn't  
10:43AM 6 what that case was.

10:43AM 7 Another case, this goes back to predating  
10:43AM 8 the Federal circuit, but it's a case that the Federal  
10:43AM 9 Circuit has cited numerous times, it's Dunlop V Ram,  
10:43AM 10 it's the golf ball and the Surlyn covers, apparently  
10:43AM 11 they're real hard so when you slice them with your  
10:43AM 12 irons, you don't hack up the golf balls, and there  
10:43AM 13 there was a similar issue under 102(g). And the Court  
10:43AM 14 said, no, it isn't -- you don't need to disclose the  
10:43AM 15 details of what the invention is. All you need to do  
10:43AM 16 is make it available for public use, something that  
10:43AM 17 embodies it. And the testimony is this home video  
10:43AM 18 server did, in fact, embody these, the claimed  
10:43AM 19 inventions.

10:43AM 20 So -- and in that case I think another  
10:43AM 21 case that the -- TiVo relies on is this Palmer versus  
10:44AM 22 Dudzik case, which is a very old -- well, it's not very  
10:44AM 23 old, 1973, but it cites some old Supreme Court cases.  
10:44AM 24 Again, those were a different situation because it  
10:44AM 25 wasn't a situation where the device that was made

10:44AM 1 publicly available embodied the invention, which is  
10:44AM 2 what the test is for abandonment, suppression or  
10:44AM 3 concealment.

10:44AM 4 In those cases what you had is a  
10:44AM 5 situation where there was a machine that was used to  
10:44AM 6 make a particular device or a particular article of  
10:44AM 7 manufacture. I think in one of the cases it was some  
10:44AM 8 kind of weaving. And the -- the only thing that was  
10:44AM 9 made publicly available was the product of the machine,  
10:44AM 10 not the machine itself. So there the Court said, well,  
10:44AM 11 you tried to keep that secret for yourself, you know,  
10:44AM 12 you didn't make the invention publicly available.

10:45AM 13 So those cases were all deceitful. In  
10:45AM 14 fact, in the cases that I've cited for you, those were  
10:45AM 15 distinguished.

10:45AM 16 Now, one other case is this Zenith, and  
10:45AM 17 this is a Federal Circuit case, Zenith versus PDI  
10:45AM 18 Communication Systems, it's 522 F.3d 1348; it's a 2008  
10:45AM 19 Federal Circuit case. There the Court, now this was in  
10:45AM 20 the 102(b) context, but the -- the idea is exactly the  
10:45AM 21 same. It -- they said contrary to Zenith's arguments,  
10:45AM 22 however, we note that the public use itself need not be  
10:45AM 23 enabling, rather we must simply determine whether the  
10:45AM 24 public use related to a device that embodied the  
10:45AM 25 invention.

10:45AM 1 So again, the idea behind 102, and this  
10:45AM 2 would apply to 102(g), is what have you made public.  
10:45AM 3 Does that embody the invention. That shows that  
10:45AM 4 there's no intent to abandon, suppress or conceal.

10:46AM 5 Now, one additional fact that we have  
10:46AM 6 here is, and this is something that the courts have  
10:46AM 7 noted numerous times in various cases, and I won't go  
10:46AM 8 through these, Your Honor, because they're cited in the  
10:46AM 9 papers, but when you file a patent application on your  
10:46AM 10 invention, that is essentially conclusive evidence that  
10:46AM 11 there was no intent to abandon, suppress or conceal and  
10:46AM 12 we have that here. We have the '714 patent, which  
10:46AM 13 flows from the development and the inventions in the  
10:46AM 14 home video server and that original application, the  
10:46AM 15 '714, derives from a continuation that was originally  
10:46AM 16 filed back in 1995.

10:46AM 17 So to suggest because some individuals  
10:46AM 18 testified that we chose not to pursue this commercially  
10:46AM 19 and repeated the word abandon that the lawyers used in  
10:46AM 20 the question is contrary to the evidence as a legal  
10:46AM 21 matter. And so the idea that we would keep out any  
10:47AM 22 evidence of the home video server under 102(g) and the  
10:47AM 23 efforts that they took under 102(g) to develop, use  
10:47AM 24 this publicly, and eventually show this in a patent  
10:47AM 25 application is contrary to the facts and the law.

10:47AM 1 Now, the one thing that I think I saw in  
10:47AM 2 the papers that TiVo says about the patent application  
10:47AM 3 is, well, not all the details are disclosed there of  
10:47AM 4 the automatic flow control. Well, that's actually,  
10:47AM 5 one, I didn't see any cases where that was required to  
10:47AM 6 be the case; but setting that issue aside, that's --  
10:47AM 7 that's a disputed fact. You know, one of the  
10:47AM 8 references that Mr. Gray relies upon for invalidity of  
10:47AM 9 the TiVo patent on exactly that issue, says that it  
10:47AM 10 discloses the automatic flow control and is the '704  
10:47AM 11 patent. So you know, on a Motion In Limine that TiVo  
10:47AM 12 is asking you to basically resolve a dispute issue even  
10:48AM 13 as to that limited issue between the experts.

10:48AM 14 THE COURT: All right. What else?

10:48AM 15 MR. NELSON: I don't have anything else,  
10:48AM 16 Your Honor.

10:48AM 17 THE COURT: All right. Anything further  
10:48AM 18 from TiVo on this?

10:48AM 19 MS. GORDNIA: Yes, Your Honor, just  
10:48AM 20 briefly. Your Honor, if -- if we had a photo, we had  
10:48AM 21 any sort of evidence about what this prototype was,  
10:48AM 22 things would be different. But there's no evidence in  
10:48AM 23 the record. All we have are vague references to a  
10:48AM 24 prototype that iMedia was working on. What we do know  
10:48AM 25 is that they had multiple concepts and projects going

10:48AM 1 on at the same time. And what we do know is that they  
10:48AM 2 have testified that they showed some prototype  
10:48AM 3 confidentially, not publicly, confidentially under  
10:48AM 4 NDA's discerning potential investors.

10:48AM 5           Actually, Counsel is mixing things up.  
10:48AM 6 Prototypes for different devices for different projects  
10:48AM 7 going on at the same time, that's really what we have  
10:49AM 8 here. We have no concrete evidence about the home  
10:49AM 9 video server prototype. What we do know is the iMedia  
10:49AM 10 engineers testified that they didn't complete it. They  
10:49AM 11 testified that it didn't work. They testified that it  
10:49AM 12 didn't record. They used the word abandon and abandon  
10:49AM 13 is the commonly understood word, not a legal term  
10:49AM 14 that's -- an engineer would have a hard time  
10:49AM 15 understanding.

10:49AM 16           So the problem here is that there's a  
10:49AM 17 lack of evidence in the record for what this device was  
10:49AM 18 and none of the cases that Counsel discussed right now  
10:49AM 19 changes that. The facts are as they are. The -- the  
10:49AM 20 inventors or engineers have said that they stopped  
10:49AM 21 working on it and, in fact, have identified key  
10:49AM 22 features of a digital video recorder that were lacking  
10:49AM 23 in whatever it was that they were working on, we'll  
10:49AM 24 call it the prototype.

10:49AM 25           But at this stage, it's important to keep

10:49AM 1 out this body of argument and evidence because no  
10:49AM 2 record so far shows that this is not 102(g) art and  
10:50AM 3 there's no other relevance for this to be in the case.  
10:50AM 4 And for those reasons, Your Honor, TiVo's Motion In  
10:50AM 5 Limine No. 11 should be granted.

10:50AM 6 THE COURT: All right. Well, clearly  
10:50AM 7 there are at least nine exhibits identified as a part  
10:50AM 8 of this dispute as well as there's a pending motion to  
10:50AM 9 strike portions of testimony of Stephen Gray, an expert  
10:50AM 10 for Motorola. I don't view this as a dispute that is  
10:50AM 11 appropriate for disposition on a Motion In Limine  
10:50AM 12 basis.

10:50AM 13 I'm going to deny the Motion In Limine,  
10:50AM 14 but I'm going to do so without prejudice to argue the  
10:50AM 15 specific exhibits at issue or the motion to strike  
10:50AM 16 portions of Mr. Gray's testimony, which we'll take up  
10:50AM 17 subsequently.

10:50AM 18 But for Motion In Limine purposes, No. 11  
10:50AM 19 is denied.

10:51AM 20 No. 12. This has to do with the  
10:51AM 21 nonexistent confidentiality agreement with iMedia.

10:51AM 22 MR. BIRNHOLZ: Our catchy title is -- is  
10:51AM 23 accurate, Your Honor. This Motion In Limine relates to  
10:51AM 24 a nonexistent confidentiality agreement and we want to  
10:51AM 25 make sure that the other side doesn't put in testimony,

10:51AM 1 argument about a confidentiality agreement between  
10:51AM 2 iMedia and Mr. Yang, who was a potential investor in  
10:51AM 3 iMedia back in 1995.

10:51AM 4 And what we have is the undisputed  
10:51AM 5 testimony from the iMedia witness, Adam Tom, who  
10:51AM 6 testified in his deposition that there was no -- that  
10:51AM 7 he had no signed NDA. There's no signed agreement that  
10:51AM 8 exists; you will not see one in Court. One will never  
10:52AM 9 be produced because it's never been produced in  
10:52AM 10 discovery and we have no evidence that it exists.

10:52AM 11 He could -- he admitted that he could not  
10:52AM 12 identify whether the agreement was signed, who signed  
10:52AM 13 it, what the terms were, and so you cannot have a party  
10:52AM 14 assert that there is an obligation of confidentiality  
10:52AM 15 when there is no writing and there is an admission that  
10:52AM 16 that party cannot identify any terms of such an  
10:52AM 17 agreement. So it's pretty -- it seems pretty basic to  
10:52AM 18 us that there should not be evidence or argument about  
10:52AM 19 a nonexistent confidentiality agreement.

10:52AM 20 THE COURT: Counsel, why isn't this just  
10:52AM 21 something that's right for cross-examination? Seems  
10:52AM 22 like to me the worst thing your opponent can do is  
10:52AM 23 bring something up that doesn't exist that you can then  
10:52AM 24 show the Jury on a cross doesn't exist and their  
10:52AM 25 credibility is damaged accordingly. Why is this not



10:52AM 1 something we deal with in the ordinary course of the  
10:52AM 2 trial and the cross-examination?

10:52AM 3 MR. BIRNHOLZ: If Your Honor allows the  
10:52AM 4 evidence, we certainly will do that. Now, there are  
10:53AM 5 two issues. Is it's highly impermissible for a party  
10:53AM 6 to, as a matter of law, assert that there is some  
10:53AM 7 obligation when they admit that they cannot prove up  
10:53AM 8 the terms and so this is something that's right now for  
10:53AM 9 Your Honor to dispose of based on their own admission.

10:53AM 10 The confidentiality obligation also goes  
10:53AM 11 to this theory of unjust enrichment, which is the  
10:53AM 12 subject of the pending summary judgment motions on  
10:53AM 13 those -- those claims and so that's another reason why  
10:53AM 14 it should be excluded from the trial, because if it has  
10:53AM 15 any bearing, it has a bearing only on these claims  
10:53AM 16 which are to be decided by Your Honor.

10:53AM 17 So we think it's appropriate for a Motion  
10:53AM 18 In Limine and that it should be kept out.

10:53AM 19 THE COURT: All right. Response from  
10:53AM 20 Motorola?

10:54AM 21 MR. CUNNINGHAM: Your Honor, Sean  
10:54AM 22 Cunningham again. I think the question here is what  
10:54AM 23 exactly is TiVo trying to exclude. I just heard  
10:54AM 24 Counsel say that Motorola should not be able to assert  
10:54AM 25 an obligation of confidentiality when it cannot produce

10:54AM 1 the final signed nondisclosure agreement between Yang  
10:54AM 2 and iMedia. And -- and there lies the rub, because I  
10:54AM 3 can establish an obligation of confidentiality, Your  
10:54AM 4 Honor, by handing you a document that's marked  
10:54AM 5 confidential and saying, please keep this under your  
10:54AM 6 hat. And you say, yes, I will. That's an obligation  
10:54AM 7 of confidentiality.

10:54AM 8 And that kind of obligation of  
10:54AM 9 confidentiality is what is required for an unjust  
10:54AM 10 enrichment claim. That is exactly what the Ultra  
10:54AM 11 provision -- Precision Manufacturing versus Ford Motor  
10:54AM 12 Company case says that TiVo cited in its Motions In  
10:54AM 13 Limine at page 26. There's no requirement for unjust  
10:55AM 14 enrichment, that there be a final, signed nondisclosure  
10:55AM 15 agreement; however, having said that --

10:55AM 16 THE COURT: Yeah, we're not arguing the  
10:55AM 17 summary judgment here.

10:55AM 18 MR. CUNNINGHAM: Correct. Having said  
10:55AM 19 that, Your Honor, there will be witness testimony and  
10:55AM 20 documents that provide circumstantial evidence that  
10:55AM 21 there was, in fact, at one time a signed NDA between  
10:55AM 22 Yang and iMedia and those include letters sent by Dr.  
10:55AM 23 Tom to Mr. Yang saying enclosed is a drift. And an  
10:55AM 24 e-mail back from Mr. Yang saying, I'm going to send  
10:55AM 25 you, I'm going to fax you comments on your proposed

10:55AM 1 nondisclosure agreement, which he did.

10:55AM 2 So the witnesses will testify that there  
10:55AM 3 was, in fact, a final signed agreement, that that  
10:55AM 4 cannot be located anymore, it's not in the files that  
10:55AM 5 remain from iMedia, it's not in Motorola's files, and  
10:55AM 6 it's not in Irell's files. Remember that they were  
10:56AM 7 Counsel for iMedia at the time and in fact, there's  
10:56AM 8 several billing entries in their billing records  
10:56AM 9 talking about advising Dr. Tom on the language of the  
10:56AM 10 NDA.

10:56AM 11 So all of this is, as you point out,  
10:56AM 12 fodder for cross-examination, but -- but Dr. Tom  
10:56AM 13 certainly has a memory of having negotiated an NDA and  
10:56AM 14 having executed that NDA with Mr. Yang and there's no  
10:56AM 15 reason that he shouldn't be allowed to testify to that  
10:56AM 16 if that's his memory.

10:56AM 17 THE COURT: All right. Anything  
10:56AM 18 further, Mr. Birnholz?

10:56AM 19 MR. BIRNHOLZ: Yes, just very briefly  
10:56AM 20 because it's -- it's very pertinent. Adam Tom, the  
10:56AM 21 person that Mr. -- opposing Counsel just referred to  
10:56AM 22 testified quite clearly. He said I -- he says when the  
10:56AM 23 start date was; when the end date was; who signed it;  
10:56AM 24 the address; date; no, I don't remember those details.  
10:56AM 25 When I said -- asked him: Is it fair to say that you

10:56AM 1 cannot provide me the details of any NDA between IVP  
10:57AM 2 and iMedia?

10:57AM 3 Answer: That's right.

10:57AM 4 I don't think there's any basis for Adam  
10:57AM 5 Tom to then get up and testify as to the existence of a  
10:57AM 6 confidentiality agreement that has not been produced  
10:57AM 7 and to which he admitted under oath he could not tell  
10:57AM 8 anyone the terms.

10:57AM 9 THE COURT: Well, the Court continues to  
10:57AM 10 be convinced that this is just the type of evidentiary  
10:57AM 11 dispute that Juries are particularly appropriate at  
10:57AM 12 determining, weighing the credibility, determining what  
10:57AM 13 weight, if any, to give to contradictory testimony. I  
10:57AM 14 think this is not appropriate for Motion In Limine  
10:57AM 15 exclusion. I'm going to deny the Motion In Limine.

10:57AM 16 All right. No. 13, irrelevant patents  
10:57AM 17 and technology for Motorola.

10:57AM 18 MR. WELLS: Your Honor, Maclain Wells of  
10:58AM 19 Irell & Manella on behalf of TiVo.

10:58AM 20 What we're talking about here, Your  
10:58AM 21 Honor, is a series of Motorola patents other than the  
10:58AM 22 Motorola patents asserted in this case that have been  
10:58AM 23 identified as, one, exhibits. Have also been  
10:58AM 24 identified in expert reports where they just listed the  
10:58AM 25 patent numbers with no analysis and then an indication

10:58AM 1 that they're going to ask fact witnesses about these  
10:58AM 2 patents because some of the fact witnesses they've  
10:58AM 3 listed are inventors on these patent numbers, these  
10:58AM 4 additional patent numbers that have been provided, and  
10:58AM 5 there's a problem with this.

10:58AM 6 And that is that it's very clear from  
10:58AM 7 Federal Circuit precedent that you can't say, oh, I  
10:58AM 8 have my own patents and therefore I don't infringe.  
10:58AM 9 Nobody disagrees with that premise. That is -- that --  
10:58AM 10 that's an accepted premise of law. And the second  
10:58AM 11 thing is that the Federal Circuit has recognized again  
10:58AM 12 and again that there is a high risk of prejudice for a  
10:58AM 13 layperson, a Jury member, to say and to not understand  
10:58AM 14 that a patent is the right to exclude, it's not the  
10:58AM 15 right to practice. And I'm going to go through both  
10:59AM 16 the relevance and prejudice problems now, Your Honor.

10:59AM 17 THE COURT: What about not as to  
10:59AM 18 infringement, what about as to willfulness?

10:59AM 19 MR. WELLS: I'm glad you asked, Your  
10:59AM 20 Honor. So Motorola put forth a case where it says that  
10:59AM 21 it's possible that your own patents could be relevant  
10:59AM 22 to willfulness. It's a possibility, but it's not fact  
10:59AM 23 intensive analysis.

10:59AM 24 And the facts of that case, you had  
10:59AM 25 highly related technologies. The patents that they

10:59AM 1 were trying to assert were relevant were actually cited  
10:59AM 2 as prior art in the asserted patents and the Court  
10:59AM 3 found that -- this is the Ortho Pharmaceutical case  
10:59AM 4 that the cited -- the Court found that that, because of  
10:59AM 5 those issues, a reasonable belief could have been  
10:59AM 6 maintained by the Defendant that their patent claims  
10:59AM 7 and the claims of the asserted patents were mutually  
10:59AM 8 exclusive.

10:59AM 9 Contrast that to what we have in this  
10:59AM 10 case. We have no analysis from their experts as to  
11:00AM 11 what these patent are about whatsoever. They just list  
11:00AM 12 the numbers. We have -- these patents aren't, for  
11:00AM 13 example, listed as prior art in the file histories that  
11:00AM 14 were analyzed during the prosecution and we don't have  
11:00AM 15 any facts supporting a reasonable belief on behalf of  
11:00AM 16 Motorola that these patents, because of these patents,  
11:00AM 17 Motorola did not infringe.

11:00AM 18 They didn't waive privilege of --  
11:00AM 19 regarding opinions, so there's no attorney analysis  
11:00AM 20 that they're relying on and there's no evidence  
11:00AM 21 whatsoever that they believe that the claims of these  
11:00AM 22 patents and the claims of the asserted TiVo patents are  
11:00AM 23 mutually exclusive; therefore, there is no relevance  
11:00AM 24 under the willfulness prong in this instance.

11:00AM 25 They also cite equivalents under the

11:00AM 1 doctrine of equivalents and say, oh, well, it could be  
11:00AM 2 relevant there. Well, the case law says a similar  
11:00AM 3 standard. It's a fact-intensive issue. And again, we  
11:01AM 4 don't have any analysis whatsoever what their case  
11:01AM 5 cites, this is the National case they cite, the  
11:01AM 6 National case states that: It's not automatic that  
11:01AM 7 it's relevant under the doctrine of equivalents. It's  
11:01AM 8 not automatic that having your own patents prevents  
11:01AM 9 arguments or regarding equivalents. You have to look  
11:01AM 10 and see whether the claims are going to be mutually  
11:01AM 11 exclusive with that and what the claims of the asserted  
11:01AM 12 patents and we don't have that analysis from Motorola  
11:01AM 13 and we don't have any assertion that the Motorola  
11:01AM 14 witnesses believed that to be the case. So that's the  
11:01AM 15 first prong, the -- the relevance prong.

11:01AM 16 So even if you determine that these are  
11:01AM 17 relevant to this case, you still have to look at the  
11:01AM 18 prejudice prong. And under the prejudice prong, the  
11:01AM 19 Federal Circuit has again and again stated that there  
11:01AM 20 is a high chance of Juror confusion thinking that  
11:01AM 21 because you have your own patents, you do not infringe  
11:01AM 22 the asserted patents of the -- of the other party and  
11:01AM 23 that's just wrong. And they recognize that this is a  
11:02AM 24 real risk.

11:02AM 25 And so you have cases like Cordis and EZ

11:02AM 1 Dock. In EZ Dock the Court -- the Federal Circuit  
11:02AM 2 agreed that there was an assertion that this was  
11:02AM 3 relevant to willfulness and they said, well, guess  
11:02AM 4 what, the risk of prejudice is too great. We're not  
11:02AM 5 going to allow the -- these unrelated patents in, these  
11:02AM 6 extra patents, these patents that aren't being  
11:02AM 7 asserted.

11:02AM 8 THE COURT: Well then, if that's the  
11:02AM 9 state of the law, and I don't doubt that it is, tell me  
11:02AM 10 specifically what it is about these particular patents  
11:02AM 11 they intend to offer that creates the prejudice. Where  
11:02AM 12 is those -- where are those fact in -- fact  
11:02AM 13 intentional -- intensive, rather, factual  
11:02AM 14 considerations?

11:02AM 15 MR. WELLS: The intensive factual  
11:02AM 16 consideration under the relevance prong is establishing  
11:02AM 17 that the patents have some basis for a reasonable  
11:02AM 18 belief that you do not infringe. And that goes to  
11:02AM 19 willfulness, the intent of Motorola. So that's under  
11:02AM 20 the relevance prong.

11:03AM 21 Under the prejudice prong, the Court has  
11:03AM 22 generally been looking at what is the risk here. And  
11:03AM 23 the risk here is exactly what they're going to put  
11:03AM 24 their patents forward for. They're going to say, we're  
11:03AM 25 innovators. We have patents that relates to our DVR



11:03AM 1 products, whether they're related to some basal  
11:03AM 2 components or something else, they're going to say we  
11:03AM 3 are innovators. And the risk is the Jury is going to  
11:03AM 4 say, okay, they have their own patents, so how could  
11:03AM 5 they infringe TiVo's patents?

11:03AM 6 THE COURT: Well but, there's a gap  
11:03AM 7 there that you're jumping over. When they say they  
11:03AM 8 have patents and they're innovators, show me, tell me  
11:03AM 9 what it is about those particular patents that are  
11:03AM 10 going to hold up that would cause a Jury to be confused  
11:03AM 11 and think -- I mean, you may be talking about a patent  
11:03AM 12 for something that is not confusing at all. You may be  
11:03AM 13 talking about patents that relate to devices or  
11:03AM 14 processes that wouldn't be confused.

11:03AM 15 Show me the similarity between what  
11:04AM 16 they're going to raise as these patents and what's at  
11:04AM 17 issue in this case. Show me where that -- show me the  
11:04AM 18 likelihood of confusion. Don't just tell me there is a  
11:04AM 19 likelihood of confusion. Give me some specifics.

11:04AM 20 MR. WELLS: Sure, Your Honor. And I'd  
11:04AM 21 like to address -- I think that there's an issue there  
11:04AM 22 that's really important and this goes back to the  
11:04AM 23 Motion In Limine that they filed regarding TiVo's  
11:04AM 24 awards and whatnot. And in that Motion In Limine, the  
11:04AM 25 Court brought up the fact that, hey, TiVo's got to tie

11:04AM 1 it to the technology. If it goes to the DVR in  
11:04AM 2 general, we can put forth the evidence; but if it's  
11:04AM 3 unrelated, we can't get it in because it's not relevant  
11:04AM 4 and it could lead to prejudice. And I think we have a  
11:04AM 5 similar situation here where -- where you're asking me,  
11:04AM 6 well, show me that these are -- that these patents are  
11:04AM 7 so close to the TiVo patent that there's a risk.

11:04AM 8 THE COURT: That's my question.

11:04AM 9 MR. WELLS: And these patents all relate  
11:04AM 10 to, you know, some technology relating to DVRs to  
11:04AM 11 varying degrees. And these aren't patents, for  
11:05AM 12 example, on a toothbrush or a Motorola cell phone, that  
11:05AM 13 kind of thing. But Your Honor, I think the more  
11:05AM 14 important question is if they're unrelated -- if they  
11:05AM 15 aren't so close as to prevent TiVo from getting the  
11:05AM 16 claims, they don't know the facts supporting that, then  
11:05AM 17 they're not relevant. They're -- they're -- Motorola  
11:05AM 18 is saying I have a patent on a cell phone has nothing  
11:05AM 19 to do with this case.

11:05AM 20 THE COURT: So it's kind of a Catch-22.  
11:05AM 21 If they're relevant, they're prejudicial. If they're  
11:05AM 22 not prejudicial, they're not relevant?

11:05AM 23 MR. WELLS: Exactly, Your Honor.

11:05AM 24 THE COURT: Okay. Is there -- you've  
11:05AM 25 talked a lot about a lack of analysis with regard to

11:05AM 1 these. Is there a companion Daubert that goes to this  
11:05AM 2 issue before the Court? Because I'm not remembering  
11:05AM 3 that there is one.

11:05AM 4 MR. WELLS: I -- I think -- I don't  
11:05AM 5 think there is and I think that the reason for that is  
11:05AM 6 Jeff Rodriguez, the expert that put forth this  
11:05AM 7 information, just listed the patent numbers in the end  
11:05AM 8 of his report in one of the final paragraphs with no  
11:06AM 9 analysis. So there's no analysis to exclude. It --  
11:06AM 10 it --

11:06AM 11 THE COURT: Typically a lack of analysis  
11:06AM 12 is something I hear in a Daubert context, not a Limine  
11:06AM 13 context.

11:06AM 14 MR. WELLS: Well, we have no idea how  
11:06AM 15 Jeff Rodriguez would actually present any evidence on  
11:06AM 16 this or what opinion he would offer. There's no  
11:06AM 17 indication other than the fact that it's in his report  
11:06AM 18 listing these patent numbers.

11:06AM 19 THE COURT: All right. What else,  
11:06AM 20 Counsel?

11:06AM 21 MR. WELLS: That's it, Your Honor. I'll  
11:06AM 22 turn it over to --

11:06AM 23 THE COURT: Let me have a response from  
11:06AM 24 Motorola.

11:06AM 25 MR. WILSON: Good morning, Your Honor.

11:06AM 1 Robert Wilson for Motorola of --

11:06AM 2 THE COURT: Proceed.

11:06AM 3 MR. WILSON: -- Quinn, Emanuel. Thank  
11:06AM 4 you, Your Honor.

11:06AM 5 So I think the last colloquy really told  
11:06AM 6 the story here and what TiVo is trying to do with this  
11:06AM 7 motion is put us in a Catch-22. They really want the  
11:06AM 8 Jury just to hear half the story in this case. Let me  
11:06AM 9 clear up a little bit about what came up with respect  
11:07AM 10 to Dr. Rodriguez because we included this in our  
11:07AM 11 opposition.

11:07AM 12 Dr. Rodriguez does not intend to testify  
11:07AM 13 that the patents that are listed in his report are in  
11:07AM 14 defense to infringement. He said so at his deposition  
11:07AM 15 and so TiVo knows that that's not what Motorola intends  
11:07AM 16 to do or that has any intention with respect to that  
11:07AM 17 listing in his expert report. So we can kind of set  
11:07AM 18 that issue aside. I don't think it's a Daubert issue.  
11:07AM 19 I don't think there's a dispute there.

11:07AM 20 But as Your Honor rightly points out,  
11:07AM 21 we're in a situation here where I think what you're  
11:07AM 22 going to hear from the outset of this case is about how  
11:07AM 23 TiVo is an innovator in this area of DVR technology.  
11:07AM 24 That they were one of the leaders in this technology  
11:07AM 25 and they are accusing us of stealing their technology.

11:07AM 1 And this information about Motorola's  
11:07AM 2 technology relating to DVRs, we're not going to be  
11:08AM 3 talking about cell phone patents. We're not going to  
11:08AM 4 be talking about these other kinds of patents in other  
11:08AM 5 fields, but its practice of developing its own  
11:08AM 6 technology. Its practice of licensing technology, and  
11:08AM 7 its practice of purchasing technology from other  
11:08AM 8 companies that it wants to put in its products is  
11:08AM 9 highly relevant.

11:08AM 10 It's relevant to oppose this story that  
11:08AM 11 TiVo is trying to tell that they're the only ones out  
11:08AM 12 there with the asserted patents in this case that have  
11:08AM 13 ever done anything innovative with respect to DVR.  
11:08AM 14 We're going to hear from their inventors and we're  
11:08AM 15 going to hear that extended story.

11:08AM 16 Motorola has to be able to rebut that  
11:08AM 17 from the outset, Your Honor; otherwise, the Jury is  
11:08AM 18 only going to hear half of the story, the TiVo side.  
11:08AM 19 More importantly --

11:08AM 20 THE COURT: Then tell me how you're  
11:08AM 21 going to keep from creating Jury confusion by telling  
11:08AM 22 the other half of the story.

11:08AM 23 MR. WILSON: Well, more importantly,  
11:08AM 24 Your Honor, I think you -- you zeroed in on this. I  
11:08AM 25 mean, this is a case that involves more than \$3 billion

11:09AM 1 in damages and they are seeking an enhancement for  
11:09AM 2 willfulness. And so this information about Motorola's  
11:09AM 3 development of its own technology and its own patents  
11:09AM 4 in the DVR area is very important to rebut all of the  
11:09AM 5 evidence that they're trying to get in about our intent  
11:09AM 6 to infringe their patents and steal their technology.

11:09AM 7 And the only way we can rebut that is to  
11:09AM 8 show, no, this is how we develop our product. This is  
11:09AM 9 how our DVR technology was either acquired or developed  
11:09AM 10 in house or acquired through mergers and put into our  
11:09AM 11 products that way.

11:09AM 12 The Jury is not going to be confused by  
11:09AM 13 that information. We're not going to be arguing that,  
11:09AM 14 oh, because we've done this, we don't infringe. But we  
11:09AM 15 are going to explain very clearly, they're making a  
11:09AM 16 very serious allegation that we had specific intent to  
11:09AM 17 infringe their patents when, in fact, the way we've  
11:09AM 18 developed our DVRs is through in-house development of  
11:10AM 19 the technology and acquisitions of technology that has  
11:10AM 20 gone right into the accused product.

11:10AM 21 So I don't think that there's going to be  
11:10AM 22 any Jury confusion with respect to those two issues,  
11:10AM 23 anymore than the fact that they -- the Jury is going to  
11:10AM 24 be hearing two separate issues; one on infringement and  
11:10AM 25 one on willfulness. But it's vital that Motorola is

11:10AM 1 able to rebut that kind of argument that TiVo is going  
11:10AM 2 to be making, because they're going to be saying, oh,  
11:10AM 3 well, you know, you were following our litigations.  
11:10AM 4 You knew about our technology and you just stole it.

11:10AM 5 And then if we have to sit on our hands  
11:10AM 6 and say, well, we thought we did the right thing and  
11:10AM 7 not be able to explain exactly what we've done with our  
11:10AM 8 technology in our DVR development, then the Jury is not  
11:10AM 9 going to hear the full story. And they're going to  
11:10AM 10 say, well, gee, they don't really have a response to  
11:10AM 11 that.

11:10AM 12 If you can't -- if -- if they're going to  
11:10AM 13 raise all these contentions for willfulness, we have to  
11:10AM 14 be able to respond to that with the facts and the --  
11:10AM 15 the evidence --

11:10AM 16 THE COURT: Haven't you --

11:10AM 17 MR. WILSON: -- about how we --

11:10AM 18 THE COURT: -- asserted --

11:10AM 19 MR. WILSON: -- developed our products.

11:10AM 20 Excuse me.

11:10AM 21 THE COURT: Haven't you asserted that  
11:10AM 22 they've willfully infringed your patents as well?

11:11AM 23 MR. WILSON: Yes, we have, Your Honor.

11:11AM 24 So it's -- it's on both sides of the coin here. But  
11:11AM 25 we're not trying to preclude them from talking about

11:11AM 1 how they've developed their technology.

11:11AM 2 THE COURT: Well, I don't know that the  
11:11AM 3 size of the damages model has anything to do with  
11:11AM 4 what's proper under willfulness or not, but I hear your  
11:11AM 5 argument.

11:11AM 6 What else do you have for me?

11:11AM 7 MR. WILSON: Well, Your Honor, that's  
11:11AM 8 it. I mean, I can -- I can recite cases for you. I  
11:11AM 9 mean, we have -- we cited in our briefs the Ortho  
11:11AM 10 Pharmaceutical case and the King Instrument case  
11:11AM 11 regarding the willful infringement and the Court  
11:11AM 12 finding, yes, willfulness is a very fact intensive  
11:11AM 13 inquiry and the Jury should be able to hear those facts  
11:11AM 14 and be able to weigh them. And in addition, we've  
11:11AM 15 cited the, sorry, the EEOC and the Veretta case in our  
11:11AM 16 briefs relating to the issue of this innovator and --  
11:11AM 17 and hearing only half of the story. So I urge the  
11:12AM 18 Court that -- that those cases are important to show  
11:12AM 19 the relevance of this motion.

11:12AM 20 THE COURT: And since you readily agree  
11:12AM 21 that it would be improper to offer proof of other  
11:12AM 22 patents to show noninfringement and that their use  
11:12AM 23 should only be limited to the issue of whether Motorola  
11:12AM 24 acted with the necessary intent to be willful, then I  
11:12AM 25 gather you wouldn't have a problem with an initial



11:12AM 1 instruction from the Court, the Jury that evidence of  
11:12AM 2 patents held by Motorola does not preclude or prevent a  
11:12AM 3 finding of infringement on the TiVo patents as  
11:12AM 4 asserted?

11:12AM 5 MR. WILSON: Well, I mean, I think  
11:12AM 6 you've heard, Your Honor, that we will -- we're not  
11:12AM 7 going to be making that allegation with respect to --

11:12AM 8 THE COURT: So if you're not going to  
11:12AM 9 make it, there wouldn't be any problem with telling the  
11:12AM 10 Jury that?

11:12AM 11 MR. WILSON: I think you can clarify for  
11:12AM 12 the Jury that infringement and willfulness are two  
11:12AM 13 separate issues and that they have to consider the  
11:12AM 14 evidence that relates to those issues separately.

11:12AM 15 THE COURT: All right. Let me hear  
11:12AM 16 anything final from TiVo on this.

11:13AM 17 MR. WELLS: Thank you, Your Honor. I  
11:13AM 18 think I'll want to clarify one thing. If these patents  
11:13AM 19 are relevant, they're highly prejudicial. If these  
11:13AM 20 patents are irrelevant, they're still highly  
11:13AM 21 prejudicial and that's why it's required that there --  
11:13AM 22 that initial showing of relevance be -- be met.

11:13AM 23 On willfulness, the question isn't  
11:13AM 24 whether there needs to be a factual -- I'm sorry, on  
11:13AM 25 willfulness, the issue here is that there is no

11:13AM 1 evidence supporting this good faith belief that they're  
11:13AM 2 putting forward. There's no expert -- there's no  
11:13AM 3 expert analysis, so the expert can't testify to it.

11:13AM 4 The fact witnesses' lay opinions  
11:13AM 5 regarding whether or not their terms of their patent  
11:13AM 6 are mutually exclusive of the terms of TiVo's asserted  
11:14AM 7 patents, that's improper expert testimony. This --  
11:14AM 8 this evidence shouldn't come in to show willfulness  
11:14AM 9 unless there's been some predicate preceding showing  
11:14AM 10 that there's a factual similarity between the claims  
11:14AM 11 and there hasn't been in this case. And I think that  
11:14AM 12 that's what the case law says is required to avoid this  
11:14AM 13 prejudice.

11:14AM 14 Regarding the -- Your Honor's point about  
11:14AM 15 having a preliminary instruction regarding the  
11:14AM 16 infringement issue, that might address the infringement  
11:14AM 17 issue, but these patents are still prejudicial. The  
11:14AM 18 fact is that Juries misuse it. Courts exclude this  
11:14AM 19 evidence because they have found that that preliminary  
11:14AM 20 instruction is insufficient to overcome that prejudice.

11:14AM 21 THE COURT: Well, it's the Court's  
11:14AM 22 experience, Counsel, that very few things that are  
11:14AM 23 relevant don't carry some prejudice; and very few  
11:14AM 24 things that are prejudicial don't have some relevance.  
11:14AM 25 And I just can't subscribe to your Catch-22 proposal

11:15AM 1 that if it's relevant, then it should be included as  
11:15AM 2 prejudicial; and if it's prejudicial, then it should be  
11:15AM 3 excluded as -- if it's not prejudicial, it should be  
11:15AM 4 excluded as irrelevant. In that scenario, there would  
11:15AM 5 never be an opportunity for a Defendant to introduce  
11:15AM 6 any competing patents under any circumstances.

11:15AM 7 I think that there may be some risk of  
11:15AM 8 prejudice, but I also think there is certainly the  
11:15AM 9 possibility of important probative value as well. And  
11:15AM 10 I'll consider submission from the parties on any kind  
11:15AM 11 of a preliminary instruction to the Jury to address the  
11:15AM 12 noninfringement use of these other patents, but I'm  
11:15AM 13 going to deny your Motion In Limine.

11:15AM 14 MR. WELLS: Your Honor, may I request  
11:15AM 15 that we can address the individual patents on the  
11:15AM 16 objections because we have the exhibit objections to --

11:15AM 17 THE COURT: I'm not prejudicing your  
11:15AM 18 objections on the exhibits at all.

11:15AM 19 MR. WELLS: Thank you, Your Honor.

11:15AM 20 THE COURT: Okay. All right. Let's go  
11:16AM 21 to what I show is the last TiVo Motion In Limine No.  
11:16AM 22 14, regarding equitable claims and defenses.

11:16AM 23 MR. LIPNER: Yes, Your Honor. Motion In  
11:16AM 24 Limine No. 14 is the mirror image of a motion that  
11:16AM 25 Motorola brought in the original -- that we heard in

1 the original pretrial and that has to do with the  
2 evidence that relates to claims that are claims for the  
3 Court and not for the Jury.

4 And based on the briefing in the Motion  
5 In Limine, it seems that we have agreement on the fact  
6 that certain claims and defenses are for the Court and  
7 not for the Jury. So most importantly focus on -- on  
8 the most practical issues, we have agreement, opposing  
9 Counsel can tell me if they're -- if I've got this  
10 wrong, but I believe from their opposition we have  
11 agreement that the unjust enrichment and correction of  
12 inventorship claims are for the Court and not for the  
13 Jury. And as a parenthetical, these, of course, are  
14 the claims that they have that Mr. Yang stole the --  
15 the invention from iMedia and gave it to TiVo. And  
16 just as a reminder, I know we're not arguing it, but  
17 that is the subject of one of our motions for summary  
18 judgment. We believe it should be out of the case  
19 entirely. There's a basic failure of proof and a  
20 statute of limitations problem.

21 But putting that aside for purposes of  
22 the Motion In Limine, the parties agree that these are  
23 issues for the Court. Similarly, the parties agree  
24 that the laches defense that Motorola has asserted are  
25 issues for the Court. So our motion is very simple.

11:17AM 1 It's that if you have proof that relates to these  
11:17AM 2 motions -- to these claims and these defenses, they  
11:17AM 3 should not go in front of the Jury, at least not  
11:18AM 4 without further conversation with Your Honor as to what  
11:18AM 5 else in the case they might be relevant to.

11:18AM 6 A very important point is the evidence  
11:18AM 7 relating to Mr. Yang on unjust enrichment and  
11:18AM 8 correction of inventorship. Motorola will argue that  
11:18AM 9 that evidence is also relevant to one of their  
11:18AM 10 invalidity defenses, 102(f) where they say they  
11:18AM 11 invented the claim -- the '389 patent and not TiVo.  
11:18AM 12 That's also part of our motion for summary judgment,  
11:18AM 13 but they would -- they will argue that if it remains in  
11:18AM 14 the case, it should -- that evidence should be in front  
11:18AM 15 of the Jury.

11:18AM 16 And the problem is, Your Honor, although  
11:18AM 17 they've admitted that unjust enrichment and correction  
11:18AM 18 of an inventorship is an issue for the Court, the  
11:18AM 19 concern is that that will allow them to try to tell the  
11:19AM 20 entire story of Mr. Yang taking the invention from  
11:19AM 21 iMedia to TiVo --

11:19AM 22 THE COURT: Just a minute, Counsel.

11:19AM 23 Let's try to have a seat, folks. There's  
11:19AM 24 so much wandering around, I'm having a hard time  
11:19AM 25 concentrating. We don't have a Jury in the box, I'm

11:19AM 1 going to give you some latitude, but I certainly don't  
11:19AM 2 expect for there to be that kind of milling around in  
11:19AM 3 the courtroom.

11:19AM 4 All right. Continue.

11:19AM 5 MR. LIPNER: Very good. So Your Honor,  
11:19AM 6 our very simple point is if there is evidence relating  
11:19AM 7 to unjust enrichment and correction of inventorship  
11:19AM 8 that Motorola believes for some reason should be in  
11:19AM 9 front of the Jury, that should be a subject of specific  
11:19AM 10 conversation with Your Honor before it gets given to  
11:19AM 11 the Jury.

11:19AM 12 A good example was the conversation Your  
11:19AM 13 Honor had with Mr. Birnholz about this confidentiality  
11:19AM 14 agreement. I can't imagine why that confidentiality  
11:19AM 15 agreement would be relevant to any 102(f) defense, but  
11:20AM 16 they claim that it is relevant to unjust enrichment.  
11:20AM 17 So they shouldn't be permitted to simply trot in and  
11:20AM 18 tell the whole very prejudicial story about Mr. Yang in  
11:20AM 19 front of the Jury under the guise of their 102(f)  
11:20AM 20 defense.

11:20AM 21 We have similar issues on the issue of  
11:20AM 22 unjust enrichment where we wanted to bring issues  
11:20AM 23 relating to their damages defense and damages claim  
11:20AM 24 relating to unjust enrichment in front of the Jury for  
11:20AM 25 other purposes and Your Honor granted the Motion In

11:20AM 1 Limine and said we would have to approach Your Honor if  
11:20AM 2 we wanted to do that. The same should go both ways.

11:20AM 3 Same thing for laches. Many of their  
11:20AM 4 questions in connection with deposition practice and  
11:20AM 5 the like were -- was about when we knew about their  
11:20AM 6 products and why we waited so long, they argue, to  
11:20AM 7 bring the case. That is an issue that goes to Your  
11:20AM 8 Honor as the equitable defense about laches for  
11:21AM 9 pre-suit damages, but there is no legitimate reason  
11:21AM 10 that that should go in front of the Jury if there's a  
11:21AM 11 claim that it overlaps with something else, that should  
11:21AM 12 be brought to Your Honor's attention.

11:21AM 13 So we ask that you grant the Motion In  
11:21AM 14 Limine to preclude evidence relating to these claims  
11:21AM 15 before the Court subject to further discussion with  
11:21AM 16 Your Honor.

11:21AM 17 THE COURT: Let me ask you this before  
11:21AM 18 you sit down, Counsel. What --

11:21AM 19 MR. LIPNER: Yes.

11:21AM 20 THE COURT: -- do you propose the Court  
11:21AM 21 do with that category of evidence that does have  
11:21AM 22 application to these equitable defenses, but yet also  
11:21AM 23 has application to the factual questions before the  
11:21AM 24 Jury?

11:21AM 25 MR. LIPNER: It depends on -- it depends

11:21AM 1 on the issue on an evidence by -- on a piece of  
11:21AM 2 evidence by piece of evidence basis and that's why I  
11:21AM 3 think it will be healthy, Your Honor, to be able to  
11:21AM 4 discuss it. For example, in connection with the --  
11:22AM 5 it's hard to answer that in the abstract. In  
11:22AM 6 connection with the Yang claims, for example, we hope  
11:22AM 7 they don't survive summary judgment, but if they were  
11:22AM 8 to be part of this trial, which we think would be a  
11:22AM 9 very difficult thing to manage, but if they were to be  
11:22AM 10 part of the trial, there might be aspects of those that  
11:22AM 11 the Court could get in front of the Jury relating to  
11:22AM 12 whether they ever disclosed a complete conception of  
11:22AM 13 their invention to Mr. Yang, but then not tell the  
11:22AM 14 sinister part of the story that they would like to tell  
11:22AM 15 about taking it and bringing it over to Motorola until  
11:22AM 16 they've established that predicate.

11:22AM 17 There might be a lot of different ways of  
11:22AM 18 dealing with this evidence to make sure that we  
11:22AM 19 minimalize any prejudice, but if there's just something  
11:22AM 20 that overlaps, that should be pre-cleared with Your  
11:22AM 21 Honor on an evidence -- on a -- on a piece of evidence  
11:22AM 22 by piece of evidence basis.

11:23AM 23 THE COURT: All right. Let me hear a  
11:23AM 24 response, please.

11:23AM 25 MR. VERHOEVEN: Morning, Your Honor.



11:23AM 1 Mr. Verhoeven for TiVo (sic) Motorola.

11:23AM 2 Let me start by saying as a general  
11:23AM 3 principle, Your Honor, it's correct that we are in  
11:23AM 4 agreement that the equitable causes of action here are  
11:23AM 5 for the Court, not the Jury. I think where we're  
11:23AM 6 having a dispute, Your Honor, is on this overlap issue  
11:23AM 7 Your Honor just asked the question about.

11:23AM 8 So for -- you know, we -- we have this --  
11:23AM 9 we're going to have this procedure where we're  
11:23AM 10 exchanging as we go through trial, we're going to raise  
11:23AM 11 issues in the morning and my suspicion is that  
11:23AM 12 procedure is going to be what is the mechanism that  
11:23AM 13 will resolve these.

11:23AM 14 But setting that aside for a second, the  
11:23AM 15 notion that we have to -- they both -- I assume that  
11:23AM 16 what TiVo is suggesting is that this apply both ways.  
11:24AM 17 And if the notion that both sides would have to  
11:24AM 18 approach the Court on every single document that  
11:24AM 19 overlaps, for example, Your Honor, between laches, our  
11:24AM 20 laches defense and TiVo's willfulness claim, that will  
11:24AM 21 be almost -- that will be a large number of documents,  
11:24AM 22 Your Honor, because the issue of willfulness that, for  
11:24AM 23 example, that TiVo's asserting is inextricably tied to  
11:24AM 24 our laches defense.

11:24AM 25 In this case, Your Honor, the evidence is

1 virtually undisputed that the -- the time period here  
2 between knowledge by TiVo and their assertion of the  
3 claim exceeded six years, which under the law, Your  
4 Honor, invokes a presumption that laches applies. This  
5 is a serious defense. It's an equitable defense, but  
6 it's a serious defense in this case. And I know from  
7 reading their expert reports and other information that  
8 TiVo is going to rely on a whole series of events that  
9 are the same events, basically, that Motorola and TiVo  
10 are relying on for their laches defense, for their  
11 willfulness claim.

12 So they're going to cast -- they're going  
13 to try to cast it as, well, you should have known about  
14 our patents and we're -- our contention is from the  
15 same set of facts, the same chronology, that you never  
16 told us that we infringed and you were trying to do  
17 deals with us and then -- and then, you know, eight  
18 years later, you filed these counterclaims and said we  
19 were willful. And so this same body of evidence, many,  
20 many documents and a chronology of dealings, Your  
21 Honor, is going to relate to both of those issues.

22 And so I would submit to Your Honor,  
23 using this laches and willfulness overlap as an  
24 example, that if there's an overlap and Your Honor  
25 concludes or -- or it's indisputable when we're

11:25AM 1 negotiating before we have to raise it with Your Honor,  
11:25AM 2 that it is relevant to something that is a Jury issue,  
11:25AM 3 then it comes in, instead of having to fight every  
11:26AM 4 single time about it. If the -- if it's -- if it's  
11:26AM 5 relevant, I think it would be good guidance for the  
11:26AM 6 parties in their negotiations as well, Your Honor. If  
11:26AM 7 it's relevant to their willfulness claim and our laches  
11:26AM 8 claim, they're going to say it comes in, we'll agree.

11:26AM 9 If it's relevant to one of our assertions  
11:26AM 10 in the case, whether it be 102(f) or our willfulness  
11:26AM 11 claim against their -- against -- with respect to our  
11:26AM 12 patents, that's a Jury issue that comes in. Just  
11:26AM 13 because it's also relevant to an equitable issue  
11:26AM 14 doesn't mean it should be excluded.

11:26AM 15 So that's the only modification I would  
11:26AM 16 make, Your Honor, because a lot of these issues are  
11:26AM 17 going to be relevant to both the equitable issue and  
11:26AM 18 indisputably relevant to the Jury issues.

11:26AM 19 THE COURT: Well, certainly if it's  
11:26AM 20 relevant to a Jury issue, it's got to come in even if  
11:26AM 21 it's also relevant to an equitable defense. I don't  
11:27AM 22 think you can keep relevant evidence away from the Jury  
11:27AM 23 even if it has application outside of the Jury context.

11:27AM 24 I have -- I do have some concern about  
11:27AM 25 the practical complications you raise of the number of

11:27AM 1 exhibits and coming to the bench every time. But there  
11:27AM 2 is also certainly some risk of prejudice on the other  
11:27AM 3 side that the Court has got to weigh. I mean, I think  
11:27AM 4 I can give you the guidance that if I determine that  
11:27AM 5 the evidence at issue has -- falls in this overlapping  
11:27AM 6 category where it's relevant to the Jury but also  
11:27AM 7 relevant to your -- the equitable defenses that have  
11:27AM 8 been asserted, that I'm going to let it in.

11:27AM 9 But my worry is that one side is going to  
11:27AM 10 say, well, it doesn't overlap and one side says it  
11:27AM 11 does. And those are the kinds of issues I guess I'm  
11:27AM 12 going to have to get in the middle of.

11:27AM 13 MR. VERHOEVEN: I appreciate Your Honor  
11:28AM 14 for that guidance. I think it will be very helpful and  
11:28AM 15 as a practical matter, I think if we have an exchange  
11:28AM 16 procedure we're going to exchange exhibits and whatnot,  
11:28AM 17 witness order, and raise it in the morning if we have  
11:28AM 18 these issues and I suspect those issues will be framed,  
11:28AM 19 in light of Your Honor's guidance, as to whether or not  
11:28AM 20 it's relevant, sufficiently relevant and not  
11:28AM 21 prejudicial for the Jury issues rather than this  
11:28AM 22 overlap issue.

11:28AM 23 THE COURT: Well, you know, denying a  
11:28AM 24 Motion In Limine doesn't prohibit you from making your  
11:28AM 25 objection at the time and this -- there is going to be

11:28AM 1 a lot of, as I said earlier, there are a lot of moving  
11:28AM 2 parts in this trial and I do have some concern about  
11:28AM 3 that. I guess the only thing I know to do is to say  
11:29AM 4 that if it does not have application to a live issue  
11:29AM 5 before the Jury but relates solely to the equitable  
11:29AM 6 defenses, then I'll grant the Motion In Limine.

11:29AM 7 To the extent it has real relevance and  
11:29AM 8 application to the issues before the Jury,  
11:29AM 9 notwithstanding it may have application beyond that to  
11:29AM 10 the equitable defenses, I'll deny the Motion In Limine.  
11:29AM 11 And as to those that fall between the cracks that both  
11:29AM 12 sides can't agree on what they are, I'll take them up  
11:29AM 13 the morning before as a part of the actual handling the  
11:29AM 14 issues in the trial itself.

11:29AM 15 MR. VERHOEVEN: Thank you, Your Honor.

11:29AM 16 THE COURT: All right. Those are all  
11:29AM 17 that I have of TiVo's Motions In Limine.

11:29AM 18 Before we get into -- well, next I intend  
11:29AM 19 to go to the disputed exhibit objections. Before we do  
11:30AM 20 that, I'm going to break for lunch. I'm going to give  
11:30AM 21 you -- I'm going to give both sides an hour and a half.  
11:30AM 22 I'm not going to suggest that you have a leisurely  
11:30AM 23 lunch for an hour and a half. I'm going to suggest  
11:30AM 24 that you have a very expedited lunch and you use an  
11:30AM 25 hour or so of that time to meet and confer further

11:30AM 1 about these exhibit objections.

11:30AM 2 We all know there have been some stops  
11:30AM 3 and starts in this process and perhaps there otherwise  
11:30AM 4 would have been more meeting and conferring than there  
11:30AM 5 has been up until now, so I'm going to give you an  
11:30AM 6 extra long lunch hour to try and catch up on some of  
11:30AM 7 that. So with that, I'll hear from the parties as to  
11:30AM 8 any intervening agreements or resolutions that may have  
11:30AM 9 been reached when we come back at one o'clock, but  
11:30AM 10 between now and then we stand in recess for lunch.

11:30AM 11 COURT SECURITY OFFICER: All rise.

01:30PM 12 (Lunch recess.)

01:30PM 13 COURT SECURITY OFFICER: All rise.

01:30PM 14 THE COURT: Be seated, please. All  
01:30PM 15 right, Counsel. We're even later starting back than I  
01:30PM 16 thought, but apparently you've been making progress on  
01:30PM 17 exhibits, so the Court was inclined to give you time to  
01:30PM 18 continue to work.

01:30PM 19 Why don't I get a brief report from both  
01:30PM 20 sides as to what the status of the exhibit objections  
01:31PM 21 is at this time.

01:31PM 22 MS. DUCCA: Good afternoon, Your Honor.  
01:31PM 23 Marissa Ducca from Quinn, Emanuel for Motorola and Time  
01:31PM 24 Warner Cable.

01:31PM 25 I'm happy to report that we have an

01:31PM 1 agreement on quite a few of TiVo's objections to  
01:31PM 2 Motorola's exhibits.

01:31PM 3 THE COURT: All right.

01:31PM 4 MS. DUCCA: We have an agreement on  
01:31PM 5 objection categories 1.

01:31PM 6 THE COURT: Just a minute. Let me get  
01:31PM 7 there.

01:31PM 8 MS. DUCCA: Okay.

01:31PM 9 THE COURT: These are TiVo's objections  
01:31PM 10 to Motorola's?

01:31PM 11 MS. DUCCA: That's right, Your Honor.

01:31PM 12 THE COURT: Okay. Go ahead.

01:31PM 13 MS. DUCCA: 1. Category 2.

01:31PM 14 THE COURT: Now, when you say you have  
01:31PM 15 agreement, you want to tell me what the agreement is,  
01:31PM 16 whether something is being withdrawn or whether an  
01:31PM 17 object -- or whether documents agreed to be admitted?

01:31PM 18 MS. DUCCA: Absolutely.

01:31PM 19 THE COURT: Let's get a little -- a  
01:31PM 20 little more specific.

01:31PM 21 MS. DUCCA: With regard --

01:32PM 22 THE COURT: Go ahead.

01:32PM 23 MS. DUCCA: -- excuse me. With regard to  
01:32PM 24 category 1, objection 1, these are the exhibits needing  
01:32PM 25 redaction pursuant to TiVo's Motion In Limine No. 1.

01:32PM 1 Motorola and Time Warner Cable have withdrawn Exhibits  
01:32PM 2 PX-86, PX-101, PX-105, PX-171, PX-181, PX-248, and  
01:32PM 3 PX-251.

01:32PM 4 We've also agreed to produce redacted  
01:32PM 5 versions, in light of Your Honor's Order, on the Motion  
01:32PM 6 In Limine by Friday.

01:32PM 7 THE COURT: Redacted on the other ones?

01:32PM 8 MS. DUCCA: Correct.

01:32PM 9 THE COURT: And that would be, for the  
01:32PM 10 record, PX-87, 97, 128, 129, 147, 154, 160, 162, 164,  
01:32PM 11 165, 166, 167, 202, 209, 210, 211, 230, 231, 232, 233,  
01:33PM 12 234, 249, and 250; is that --

01:33PM 13 MS. DUCCA: That is --

01:33PM 14 THE COURT: -- right?

01:33PM 15 MS. DUCCA: -- that is correct, Your  
01:33PM 16 Honor.

01:33PM 17 THE COURT: Okay. Is that TiVo's  
01:33PM 18 agreement? Can we confirm that?

01:33PM 19 MR. WERNER: Your Honor, I was under the  
01:33PM 20 impression that many were -- many other additional  
01:33PM 21 exhibits have been withdrawn and that we were down to  
01:33PM 22 three.

01:33PM 23 MS. DUCCA: That may be correct.

01:33PM 24 MR. WERNER: There were -- there's other  
01:33PM 25 motions pending, this is Tom Werner, Irell & Manella,



01:33PM 1 Counsel for TiVo. My understanding is that in  
01:33PM 2 connection with -- through other motions there --

01:33PM 3 THE COURT: Why don't you step to the  
01:33PM 4 podium, Counsel. You can both stand --

01:33PM 5 MR. WERNER: Well, thank you --

01:33PM 6 THE COURT: -- there.

01:33PM 7 MR. WERNER: -- Your Honor.

01:33PM 8 THE COURT: And if you would for the  
01:33PM 9 court reporter, identify yourself again.

01:33PM 10 MR. WERNER: Yes, Your Honor. This is  
01:33PM 11 Tom Werner with Irell & Manella, Counsel for TiVo.

01:33PM 12 With respect to objection category 1, the  
01:34PM 13 agreement that has been reached is that we will  
01:34PM 14 receive, if you don't mind, we will receive redacted  
01:34PM 15 copies of the remaining trial exhibits corresponding to  
01:34PM 16 documents produced under the Bates number I&M, I  
01:34PM 17 ampersand M, on Friday.

01:34PM 18 Pursuant to TiVo's objection No. 2,  
01:34PM 19 objection 02, all but three of those I&M documents have  
01:34PM 20 been withdrawn. I would need to refer to my database  
01:34PM 21 to identify those. I could do that briefly, if you  
01:34PM 22 want, for the record or we could move along here, we  
01:34PM 23 could do another submission updating Your Honor with  
01:34PM 24 the specifics.

01:35PM 25 THE COURT: You know, I think it's

01:35PM 1 better if we get specific right now and get it on the  
01:35PM 2 record.

01:35PM 3 MR. WERNER: So Your Honor, with respect  
01:35PM 4 to trial exhibits that are subject to TiVo's objections  
01:35PM 5 1 and 2, we have the agreement reflected earlier that  
01:35PM 6 we receive redacted copies of these I&M documents. And  
01:35PM 7 the remaining I&M documents on the trial exhibit list  
01:35PM 8 are PX-87, PX-154, and PX-162.

01:36PM 9 THE COURT: And you're telling me that  
01:36PM 10 those are the ones to be redacted, the remainder have  
01:36PM 11 been withdrawn?

01:36PM 12 MR. WERNER: The remainder of the I&M  
01:36PM 13 documents have been withdrawn, that is -- that is my  
01:36PM 14 understanding and basically the information that I  
01:36PM 15 received.

01:36PM 16 MS. DUCCA: Your Honor, may I?

01:36PM 17 THE COURT: Yes, please.

01:36PM 18 MS. DUCCA: In the past several days we  
01:36PM 19 have gone to great lengths to reduce our exhibit list  
01:36PM 20 to a -- to a very small number. In the process we've  
01:36PM 21 withdrawn many of the exhibits that TiVo has been  
01:36PM 22 objecting to. I have no reason to doubt what Mr.  
01:36PM 23 Werner is saying and I've been able to verify that that  
01:36PM 24 is correct.

01:36PM 25 The only three remaining exhibits that

01:36PM 1 will need to be redacted on Friday are PX-87, PX-154,  
01:36PM 2 and PX-162.

01:36PM 3 THE COURT: All right.

01:37PM 4 MR. WERNER: That takes care of  
01:37PM 5 objections 1 and 2.

01:37PM 6 THE COURT: What about category 3?

01:37PM 7 MR. WERNER: Would you prefer, Your  
01:37PM 8 Honor, to address only those that have been resolved  
01:37PM 9 and come back to those that remain in dispute?

01:37PM 10 THE COURT: Well, let's first cover  
01:37PM 11 what's been withdrawn --

01:37PM 12 MR. WERNER: Okay.

01:37PM 13 THE COURT: -- or resolved and then  
01:37PM 14 depending on the scope of it, we'll come back or we'll  
01:37PM 15 go ahead.

01:37PM 16 MR. WERNER: I see.

01:37PM 17 THE COURT: We'll take them up on a  
01:37PM 18 case-by-case basis.

01:37PM 19 MR. WERNER: And if I may, Your Honor,  
01:37PM 20 since these are our objections -- thank you. So  
01:37PM 21 objection category 11.

01:37PM 22 THE COURT: Wait a minute. What about  
01:37PM 23 category 3?

01:37PM 24 MR. WERNER: There remains a live dispute  
01:37PM 25 with respect to the documents subject to that

01:37PM 1 objection.

01:37PM 2 THE COURT: Okay.

01:37PM 3 MR. WERNER: Same -- the same applies to  
01:37PM 4 4 through 10.

01:37PM 5 MS. DUCCA: Your Honor, we have  
01:37PM 6 withdrawn some exhibits that are subject to the  
01:37PM 7 objections in which we have them, if you'd like us  
01:37PM 8 to --

01:37PM 9 MR. WERNER: But not all of them. So we  
01:38PM 10 have a reduced set from what is reflected in the  
01:38PM 11 filings that Your Honor has because of exhibits that  
01:38PM 12 have been withdrawn or because TiVo withdrew its  
01:38PM 13 objection --

01:38PM 14 THE COURT: All right. Well, let's do  
01:38PM 15 this, let's -- let's go next to objection category 3.  
01:38PM 16 Let's identify what's been withdrawn or disposed of  
01:38PM 17 otherwise and then we'll take up what's left. Then  
01:38PM 18 we'll go to category 4 and do the same thing over  
01:38PM 19 again.

01:38PM 20 MS. DUCCA: Your Honor, with respect to  
01:38PM 21 objection category 3, Motorola and Time Warner Cable  
01:38PM 22 have withdrawn Exhibits PX-968, PX-1809, PX-2634, and  
01:38PM 23 PX-2635.

01:38PM 24 The only remaining exhibit that is in  
01:38PM 25 dispute with respect to objection 3 is Exhibit PX-1029.

01:38PM 1 THE COURT: All right. Then let's take  
01:39PM 2 up PX-1029, the e-mail from Mr. Yang.

01:39PM 3 MR. IANCU: Your Honor, PX-1029 is the  
01:39PM 4 very -- one of the very documents that we talked about  
01:39PM 5 at the last pretrial that was subject to TiVo's Motion  
01:39PM 6 In Limine No. 2, which was about the -- the attempted  
01:39PM 7 use of such documents to show a culture of copying.  
01:39PM 8 This was the clearest example of such a document, which  
01:39PM 9 was the -- the e-mail from Mr. Yang that said that a  
01:39PM 10 commercial aspect not having to do with this case, what  
01:39PM 11 can we copy from it. And that was the document, as we  
01:39PM 12 discussed some time ago, that came after the date of  
01:39PM 13 the patents in suit, so it had no particular relevance.  
01:39PM 14 It was directly and expressly subject to the Motion In  
01:40PM 15 Limine which Your Honor granted and it should be out.

01:40PM 16 THE COURT: All right. Motorola's  
01:40PM 17 response?

01:40PM 18 MR. WHITEHURST: Good afternoon, Your  
01:40PM 19 Honor. Alan Whitehurst, Quinn, Emanuel for Motorola  
01:40PM 20 and Time Warner Cable.

01:40PM 21 And if we could put this document up on  
01:40PM 22 the screen, please, real quickly. Your Honor, Motorola  
01:40PM 23 does not propose using this exhibit as it was  
01:40PM 24 originally submitted. We are currently proposing that  
01:40PM 25 the exhibit be redacted so that only the top part of

01:40PM 1 the exhibit, the e-mail from Yang to individuals at  
01:40PM 2 TiVo, be used at trial.

01:40PM 3 As you mentioned earlier today, all  
01:40PM 4 exhibits they're going to have some prejudicial effect.  
01:40PM 5 We believe here the probative value as redacted would  
01:40PM 6 outweigh any possible prejudice. As you know, one of  
01:41PM 7 the issues in this case is what did Mr. Yang know and  
01:41PM 8 what did he communicate to TiVo. And this is directly  
01:41PM 9 relevant to Motorola's improper inventorship, unjust  
01:41PM 10 enrichment, and derivation claims --

01:41PM 11 THE COURT: Back up just a minute,  
01:41PM 12 Counsel. Tell me again what you're proposing to redact  
01:41PM 13 and what you're proposing not to redact in this.

01:41PM 14 MR. WHITEHURST: Yes, Your Honor. We're  
01:41PM 15 proposing to redact everything from the at 07:27 down.  
01:41PM 16 So that all that would be left would be the from line,  
01:41PM 17 from Geoff Yang to the individual, through the content  
01:41PM 18 of his e-mail and his signature, Geoff.

01:41PM 19 Now, the reason why we believe that the  
01:41PM 20 probative value of this redacted exhibit outweighs the  
01:41PM 21 prejudice is because one of the issues is whether Yang  
01:41PM 22 had any communication or direction or control over  
01:42PM 23 individuals at TiVo. The evidence, we believe, is  
01:42PM 24 going to show that Mr. Yang knew about iMedia's home  
01:42PM 25 video server, he learned about iMedia's technology, and

01:42PM 1 then there was a communication path between him and  
01:42PM 2 TiVo. And that's exactly what this e-mail is showing,  
01:42PM 3 that not only was he communicating with TiVo, but he  
01:42PM 4 was communicating with key individuals and engineers at  
01:42PM 5 TiVo that were in a position to change their products  
01:42PM 6 and incorporate certain technology.

01:42PM 7 And in this e-mail Mr. Yang is  
01:42PM 8 instructing TiVo to make certain changes to its  
01:42PM 9 products and we believe that's directly relevant to  
01:42PM 10 Motorola's claims in this litigation.

01:42PM 11 THE COURT: All right. Let me hear from  
01:42PM 12 TiVo.

01:42PM 13 MR. LIPNER: So Your Honor, as you can  
01:42PM 14 see, what they're proposing to redact is to make the  
01:42PM 15 document worse by highlighting only the prejudicial  
01:42PM 16 parts, so I don't think that solves anything. The  
01:43PM 17 document has no probative -- no probative value. It  
01:43PM 18 postdates the TiVo patents. So what Mr. Yang is doing  
01:43PM 19 in a totally separate situation has nothing to do with  
01:43PM 20 what he was doing before the TiVo patents were filed.

01:43PM 21 And in fact, this circles us back right  
01:43PM 22 to the Motion In Limine. What they're attempting to do  
01:43PM 23 is use a different aspect of Mr. Yang's actions at TiVo  
01:43PM 24 to try to prove up something that happened earlier in a  
01:43PM 25 totally different situation, that's exactly what Your

01:43PM 1 Honor excluded in the Motions In Limine, that is the  
01:43PM 2 culture of copying.

01:43PM 3 THE COURT: You're standing up, do you  
01:43PM 4 have something else to add?

5 MR. LIPNER: I have nothing else to add.  
6 I wanted to see if Your Honor had any further  
7 questions.

8 THE COURT: Let's see if your opposing  
9 Counsel has any --

01:44PM 10 MR. WHITEHURST: I was standing only to  
01:44PM 11 see if you would allow me to add one -- one final  
01:44PM 12 comment.

01:44PM 13 THE COURT: If you have one final  
01:44PM 14 comment, you may make it.

01:44PM 15 MR. WHITEHURST: Your Honor, we  
01:44PM 16 understand Motion In -- your ruling in Motion In Limine  
01:44PM 17 No. 2 going to a culture of copying at TiVo. We  
01:44PM 18 believe as redacting we've removed any possible  
01:44PM 19 reference to copying at TiVo. The original e-mail was  
01:44PM 20 from a Stewart Alsop to Mr. Yang talking about  
01:44PM 21 activities at TiVo, that's why we've redacted what  
01:44PM 22 we're -- what we're proposing to redact, leaving just  
01:44PM 23 Mr. Yang's instructions to TiVo to show in the case  
01:44PM 24 that he was communicating with TiVo; he did have a  
01:44PM 25 communication with TiVo; and he even went so far as to



01:44PM 1 comment on the products and what changes should be made  
01:44PM 2 to the products.

01:44PM 3 Thank you, Your Honor.

01:44PM 4 THE COURT: All right. I'm going to  
01:44PM 5 grant the objection to PX-1020, it's excluded. I think  
01:45PM 6 the prejudicial effect is significant. And I think  
01:45PM 7 that comports with my ruling on TiVo's Motion In Limine  
01:45PM 8 No. 2.

01:45PM 9 All right. Do we have anything else  
01:45PM 10 under exhibit objection category 3?

01:45PM 11 MR. LIPNER: No, Your Honor.

01:45PM 12 THE COURT: Let's go to 4. Tell me what  
01:45PM 13 we've solved first and then we'll take up what's  
01:45PM 14 unsolved.

01:45PM 15 MS. DUCCA: Your Honor, with respect to  
01:45PM 16 exhibit category 4, Motorola and Time Warner Cable have  
01:45PM 17 withdrawn Exhibits PX-719, PX-739, PX-742, PX-897, and  
01:45PM 18 PX-935. And excuse me, I -- I did that in reverse, I  
01:45PM 19 apologize, Your Honor. Those are the exhibits that are  
01:45PM 20 still at issue.

01:45PM 21 With respect to objection 4, we have  
01:46PM 22 withdrawn PX-68, 740, and 2641.

01:46PM 23 THE COURT: All right. So we still have  
01:46PM 24 719, 739, 742, 897, and 935.

01:46PM 25 MS. DUCCA: That is correct, Your Honor.

01:46PM 1 THE COURT: All right. Let's take those  
01:46PM 2 up and I'll hear from TiVo as to the basis of their  
01:46PM 3 objections.

01:46PM 4 MR. LIPNER: Your Honor, we did not  
01:46PM 5 have -- well, we discussed this, we did not have the  
01:46PM 6 opportunity to get those final numbers at any time  
01:46PM 7 before right now. The general objection to this is  
01:46PM 8 very simple, which is these documents appear to us to  
01:46PM 9 be related only to the Horizon defense which Your Honor  
01:46PM 10 excluded this morning. We could not tell what -- for  
01:46PM 11 any of these documents, any additional relevance for  
01:47PM 12 which they could be admissible at trial and that is the  
01:47PM 13 reason that we are objecting to them.

01:47PM 14 If there's some colorable explanation  
01:47PM 15 that they are relevant to something, we can -- we can  
01:47PM 16 discuss that. But as far as we can tell, every one of  
01:47PM 17 these documents relates to the Horizon license defense.

01:47PM 18 THE COURT: Well, to the extent they  
01:47PM 19 relate solely to that, they're going to be excluded,  
01:47PM 20 but I'll hear from Motorola if they believe there's  
01:47PM 21 some other basis outside of that that would allow them  
01:47PM 22 to survive.

01:47PM 23 Mr. Cunningham?

01:47PM 24 MR. CUNNINGHAM: Your Honor, good  
01:47PM 25 afternoon. The -- the relevance -- so these documents

01:47PM 1 relate to the commercial relationship that TiVo and  
01:47PM 2 Motorola had in that time frame, TiVo's work with  
01:47PM 3 Motorola on the Horizon Developer program. So the  
01:48PM 4 license itself is not going to be an issue based on  
01:48PM 5 your earlier ruling this morning, but the fact that  
01:48PM 6 Motorola and TiVo had a commercial relationship in the  
01:48PM 7 past is relevant to Georgia-Pacific and damages and  
01:48PM 8 that's the reason that they're being offered, just to  
01:48PM 9 simply, you know, question our witnesses.

01:48PM 10 We have two who have -- who have  
01:48PM 11 firsthand knowledge of TiVo's work on the Horizon  
01:48PM 12 Development program who will say, yeah, sure we had a  
01:48PM 13 commercial relationship with TiVo. They worked on this  
01:48PM 14 program with us, so did a lot of other people and we  
01:48PM 15 believe that that's relevant to one of the -- at least  
01:48PM 16 one of the commercial -- of the Georgia-Pacific  
01:48PM 17 factors.

01:48PM 18 THE COURT: All right.

01:48PM 19 MR. CUNNINGHAM: And I'm happy, Your  
01:48PM 20 Honor, to -- to meet and confer further with -- with  
01:48PM 21 TiVo about the specific documents because it sounds  
01:48PM 22 like this one didn't get fully vetted. And -- and with  
01:48PM 23 that, with what I just said in mind, whether we can  
01:48PM 24 come to an agreement on the remaining documents, I  
01:48PM 25 think we probably can.

01:48PM 1 THE COURT: Well, I will say for  
01:48PM 2 whatever assistance that may guide Counsel, I think  
01:49PM 3 your point is well taken. If it doesn't get into the  
01:49PM 4 substance of the Horizon Developer agreement but just  
01:49PM 5 shows a commercial relationship --

01:49PM 6 MR. CUNNINGHAM: Right.

01:49PM 7 THE COURT: -- I think it does relate to  
01:49PM 8 one of the Georgia-Pacific factors.

01:49PM 9 MR. CUNNINGHAM: Thank you, Your Honor.

01:49PM 10 THE COURT: Let me ask this: We've got  
01:49PM 11 an awful lot of lawyers in this room. Are there two  
01:49PM 12 qualified people who can go somewhere else and work  
01:49PM 13 through that issue while the rest of us continue to  
01:49PM 14 make progress? I hate to -- I really don't want to  
01:49PM 15 stop the whole undertaking. I would hope we could do  
01:49PM 16 things at a couple different parallel levels at the  
01:49PM 17 same time.

01:49PM 18 MR. CUNNINGHAM: I think that's -- I  
01:49PM 19 think we probably have more than two.

01:49PM 20 THE COURT: Well, I'll authorize those  
01:49PM 21 that can pursue that to excuse themselves and then  
01:49PM 22 report back. In the meantime, we'll -- we'll come back  
01:49PM 23 to this.

01:49PM 24 MR. CUNNINGHAM: All right. Understood.

01:49PM 25 THE COURT: Then in the meantime you'll

01:49PM 1 go forward with objection category 5. Any agreements  
01:50PM 2 to report here, Counsel?

01:50PM 3 MS. DUCCA: I do, Your Honor. Your  
01:50PM 4 Honor, Motorola and Time Warner Cable through their  
01:50PM 5 latest exhibit list have withdrawn a number of the  
01:50PM 6 exhibits on -- that are at issue with the object --  
01:50PM 7 objection -- objection 5. Those exhibits that we have  
01:50PM 8 withdrawn are --

01:50PM 9 THE COURT: Now, this is not in reverse  
01:50PM 10 order?

01:50PM 11 MS. DUCCA: It is not, Your Honor.

01:50PM 12 THE COURT: Got these in -- okay. Go  
01:50PM 13 ahead.

01:50PM 14 MS. DUCCA: I'm being careful this time.  
01:50PM 15 PX-86 is withdrawn. PX-97, PX-101, PX-105, PX-128,  
01:50PM 16 PX-129, PX-147, PX-160, PX-164, PX-165, PX-166, PX-167,  
01:50PM 17 PX-171, PX-181, PX-202, PX-209, PX-210, PX-211, PX-230,  
01:51PM 18 PX-231, PX-232, PX-233, PX-234, PX-248, PX-249, PX-250,  
01:51PM 19 and PX-251.

01:51PM 20 THE COURT: So that leaves 87, 154, and  
01:51PM 21 162?

01:51PM 22 MS. DUCCA: That is correct, Your Honor.

01:51PM 23 THE COURT: All right. Let me hear from  
01:51PM 24 TiVo in regard to those surviving three exhibits  
01:51PM 25 there -- the basis for their objection.

01:51PM 1 MS. GORDNIA: Your Honor, Talin Gordnia  
01:51PM 2 with Irell & Manella.

01:51PM 3 With respect to the remaining I&M  
01:51PM 4 documents listed as Exhibits PX-87, 154, and 162, these  
01:52PM 5 are among thousands of pages of documents that Motorola  
01:52PM 6 had for over 10 months during the discovery period and  
01:52PM 7 decided to produce to TiVo within a week of the  
01:52PM 8 discovery deadline, after TiVo had already taken  
01:52PM 9 depositions of the iMedia engineers.

01:52PM 10 In this -- in this case the parties  
01:52PM 11 stipulated in the Rule 26(f) report to produce  
01:52PM 12 documents received pursuant to subpoena within five  
01:52PM 13 days. It took Motorola 10 months, leading TiVo to  
01:52PM 14 believe that either they would not rely on these  
01:52PM 15 documents or that they would be withheld for privilege  
01:52PM 16 reasons.

01:52PM 17 These documents later on appeared at a  
01:52PM 18 few stages in interrogatory responses as part of a  
01:52PM 19 listing of nearly 10,000 pages of documents allegedly  
01:52PM 20 relating to the conception dates of Motorola's patents.  
01:52PM 21 They appeared again as an undifferentiated mass in the  
01:52PM 22 report of doctor -- rather Mr. Gray and even at his  
01:53PM 23 deposition Mr. Gray was unable to differentiate between  
01:53PM 24 the documents.

01:53PM 25 Up until just a few days ago, TiVo had no

01:53PM 1 insight into what documents of this list of 4000-plus  
01:53PM 2 documents Motorola would rely on and it's unfair to  
01:53PM 3 drop documents on your opponent close to the discovery  
01:53PM 4 deadline when you've had it for over 10 months.

01:53PM 5 THE COURT: So your objection doesn't go  
01:53PM 6 to the substance of the documents themselves, it's the  
01:53PM 7 timeliness of the production?

01:53PM 8 MS. GORDNIA: Correct, and the fact that  
01:53PM 9 they were among thousands of documents that were  
01:53PM 10 undifferentiated for the length of the -- the case  
01:53PM 11 throughout discovery.

01:53PM 12 THE COURT: Tell me why notwithstanding  
01:53PM 13 the lateness of their production you think they're  
01:53PM 14 prejudicial, other than their being late. Is there  
01:53PM 15 another basis to argue prejudicial?

01:53PM 16 MS. GORDNIA: Well, two of the documents  
01:53PM 17 appear to be very similar on the surface. It's titled  
01:53PM 18 as a business productions document from iMedia. As we  
01:53PM 19 know, the iMedia conception is a disputed issue. The  
01:54PM 20 date of that conception is a disputed issue in terms of  
01:54PM 21 the relevance of documents to that argument, they  
01:54PM 22 should have been disclosed in a timely matter. If they  
01:54PM 23 have any relevance to the arguments that Motorola  
01:54PM 24 intends to present to the Jury, we would have expected  
01:54PM 25 them to present it much earlier and to differentiate

01:54PM 1 them.

01:54PM 2 And they -- the prejudice TiVo suffered  
01:54PM 3 was that we were unable to pursue discovery and follow  
01:54PM 4 up on these documents throughout the 10-month period  
01:54PM 5 when we know that they had them, but they weren't  
01:54PM 6 producing them within the five-day deadline that the  
01:54PM 7 parties had stipulated to.

01:54PM 8 THE COURT: All right. Let me hear a  
01:54PM 9 response from Motorola.

01:54PM 10 MR. CUNNINGHAM: Your Honor, I'll make  
01:54PM 11 this argument, then I promise I'll leave and do my  
01:54PM 12 other -- the other job you assigned me to.

01:54PM 13 I want to back way up here because the  
01:55PM 14 documents we're talking about are documents that were  
01:55PM 15 in Irell's files for years. So these were documents  
01:55PM 16 that -- that Irell itself found in its own client file  
01:55PM 17 archives. I was involved in the -- the very tedious  
01:55PM 18 and lengthy process of agreeing on the manner of how  
01:55PM 19 Irell would produce its own files to Motorola's Counsel  
01:55PM 20 in this case and -- and Mr. Lipner and I were involved  
01:55PM 21 in those discussions.

01:55PM 22 It was ultimately decided that a  
01:55PM 23 different team of Irell lawyers would look at these  
01:55PM 24 documents to ensure that there weren't attorney-client  
01:55PM 25 privileged documents for other clients, for other Irell



01:55PM 1 clients, within these documents. And so after a period  
01:55PM 2 of months, we obtained three bankers' boxes of files  
01:55PM 3 from Irell of its old client files of iMedia.

01:55PM 4 The process was that those documents were  
01:55PM 5 sent to an outside copy vendor who made a copy of the  
01:56PM 6 documents and delivered the originals and the copies to  
01:56PM 7 us at DLA Piper. So we're talking about a set of  
01:56PM 8 documents that came from Irell originally.

01:56PM 9 THE COURT: I understand that.

01:56PM 10 MR. CUNNINGHAM: And when we answered  
01:56PM 11 interrogatories about conception, we listed a number of  
01:56PM 12 these documents as part of our response to that  
01:56PM 13 interrogatory. Subsequently we realized, oh, gosh,  
01:56PM 14 because of the way we agreed to do this, Irell probably  
01:56PM 15 doesn't have a copy of these still, so we reproduced  
01:56PM 16 them to Irell. So if -- if there was a mistake there,  
01:56PM 17 it was one that the lawyers made by not remembering or  
01:56PM 18 realizing that -- that Irell didn't maintain a copy  
01:56PM 19 when they sent us the documents.

01:56PM 20 We produced the -- we reproduced the  
01:56PM 21 documents back to Irell 10 days before two of the  
01:56PM 22 inventors were deposed in this case. And I -- I and  
01:57PM 23 another colleague of mine used a number of these  
01:57PM 24 documents, authenticated a number of these documents at  
01:57PM 25 those depositions.

01:57PM 1 So it's not a question of -- of a late  
01:57PM 2 production of a massive undifferentiated documents, and  
01:57PM 3 I'm not even sure what that means, it's a question of  
01:57PM 4 files being reproduced to the firm that originally  
01:57PM 5 produced them to us during the discovery period before  
01:57PM 6 two of the three inventor depositions that were taken  
01:57PM 7 in this case were taken. The fourth inventor was never  
01:57PM 8 deposed in this case at all, so that's -- that's  
01:57PM 9 irrelevant.

01:57PM 10 The -- the fact is they had these  
01:57PM 11 documents during the discovery period. We used them  
01:57PM 12 affirmatively in depositions of the inventors to  
01:57PM 13 authenticate them. They appeared on our trial exhibit  
01:57PM 14 list. They appear in summary judgment motions in  
01:57PM 15 oppositions that we filed.

01:57PM 16 There's simply nothing about this  
01:57PM 17 production that can be said as being -- rising to the  
01:57PM 18 extreme level of exclusion of evidence of conception of  
01:58PM 19 these patents that Irell itself helped to create.

01:58PM 20 Now, understanding your ruling at the  
01:58PM 21 other pretrial conference, we will remove the  
01:58PM 22 references to the Irell firm name on these documents,  
01:58PM 23 to the extent there are any, but the documents  
01:58PM 24 themselves were produced timely during the discovery  
01:58PM 25 periods. Witnesses were questioned about them, they

01:58PM 1 were properly put on our exhibit list, etcetera.

01:58PM 2 So I don't see the prejudice here

01:58PM 3 certainly and certainly not an extreme prejudice that

01:58PM 4 would lead to the exclusion of evidence related to

01:58PM 5 conception.

01:58PM 6 THE COURT: All right. Anything else

01:58PM 7 from TiVo?

01:58PM 8 MS. GORDNIA: Yes, Your Honor, briefly.

01:58PM 9 In response to the, oh, gosh, argument, the --

01:58PM 10 THE COURT: The response to the what

01:58PM 11 argument?

01:58PM 12 MS. GORDNIA: The oh, gosh, argument.

01:58PM 13 THE COURT: Oh, okay.

01:58PM 14 MS. GORDNIA: Oh, gosh, they don't have

01:58PM 15 these documents. With all due respect, the parties met

01:58PM 16 and at length discussed the process by which these

01:58PM 17 documents would be produced. These documents were in

01:58PM 18 deep storage. No one on the Irell -- Irell & Manella

01:59PM 19 TiVo team has -- has seen these documents until they

01:59PM 20 were produced to us.

01:59PM 21 Counsel for Motorola and Time Warner

01:59PM 22 Cable knew this. They were aware that we were walled

01:59PM 23 off and that none -- none of us would be able to see

01:59PM 24 these documents. So for them to say that we had it

01:59PM 25 during the discovery period is simply inaccurate.

01:59PM 1 Second, with respect to these documents  
01:59PM 2 being cited in interrogatory responses, they were cited  
01:59PM 3 for the first time in December of 2012 without being  
01:59PM 4 produced to us. They were cited again in January of  
01:59PM 5 2012 (sic) with about 10,000 documents all pertaining  
01:59PM 6 allegedly to the conception dates of the Motorola  
01:59PM 7 patents.

01:59PM 8 This is not the type of disclosure that  
01:59PM 9 would be fair. This isn't playing by the rules. You  
01:59PM 10 don't keep documents that you intend to rely on for the  
01:59PM 11 conception dates of your patents until just a few days  
01:59PM 12 before the discovery deadline, within a few days of the  
01:59PM 13 depositions of the inventors, within one day of one of  
01:59PM 14 them. So this is just a fundamental fairness issue  
02:00PM 15 and --

02:00PM 16 THE COURT: You're telling me that given  
02:00PM 17 that they were received before the deposition of the  
02:00PM 18 inventors that were deposed, that there wasn't an  
02:00PM 19 opportunity to review them and take them into account?

02:00PM 20 MS. GORDNIA: One deposition occurred the  
02:00PM 21 following day after we received the documents. There  
02:00PM 22 were four -- over 4000 pages. The second deposition  
02:00PM 23 occurred just at the end of the week. Other  
02:00PM 24 depositions had occurred before.

02:00PM 25 So there's no reason why these documents

02:00PM 1 wouldn't have been produced back in 2012 within five  
02:00PM 2 days of having been received by Motorola's Counsel.  
02:00PM 3 It's unclear to us why they sat on them for 10 months  
02:00PM 4 and suddenly now intend to rely on them at trial.

02:00PM 5 THE COURT: All right.

02:00PM 6 MS. GORDNIA: Thank you, Your Honor.

02:00PM 7 THE COURT: Thank you.

02:00PM 8 MR. CUNNINGHAM: Your Honor, may I  
02:00PM 9 correct one thing that was just said?

02:00PM 10 THE COURT: Briefly.

02:00PM 11 MR. CUNNINGHAM: Thank you. Your Honor,  
02:00PM 12 to be very clear, the documents were produced 10 days  
02:00PM 13 before the deposition of Mr. Krause and 11 days before  
02:00PM 14 the deposition of Dr. Tom, so I don't know where the  
02:01PM 15 next day came from, but that's -- that's the reality of  
02:01PM 16 the situation.

02:01PM 17 MS. GORDNIA: Your Honor, I misspoke, I'm  
02:01PM 18 sorry about that. My -- my team just confirmed it's 11  
02:01PM 19 days.

02:01PM 20 THE COURT: All right. Thank you. All  
02:01PM 21 right. The -- TiVo's objections to PX-87, 154, and 162  
02:01PM 22 are overruled.

02:01PM 23 Let's go to category 6.

02:01PM 24 MS. DUCCA: Your Honor, with respect to  
02:01PM 25 category 6, Motorola and Time Warner Cable have

02:01PM 1 withdrawn Exhibit 2654. The remaining four exhibits,  
02:01PM 2 which are PX-857, 1707, 2644, and 2645, I understand  
02:01PM 3 are still in dispute.

02:01PM 4 THE COURT: All right. Let me hear from  
02:02PM 5 TiVo on those four surviving exhibits.

02:02PM 6 MS. GORDNIA: Your Honor, these are the  
02:02PM 7 same documents we discussed briefly this morning. The  
02:02PM 8 ReplayTV physical set-top box, the code, and in  
02:02PM 9 addition here there's -- there's also an advertisement  
02:02PM 10 that's an artist's rendering of a ReplayTV box.

02:02PM 11 So just to briefly go over the arguments  
02:02PM 12 from this morning, the set-top box and the code are  
02:02PM 13 both from 1999 or later, we're not sure exactly of the  
02:02PM 14 dates, but we know that they're both for commercial  
02:02PM 15 shipping units of ReplayTV and ReplayTV didn't begin to  
02:02PM 16 ship until 1999. So for that reason, they're not prior  
02:02PM 17 art to TiVo's '389 patent.

02:02PM 18 Outside of that, they have no relevance  
02:03PM 19 and should not be placed before the Jury and mistaken  
02:03PM 20 for prior art when they're, in fact, too late to be  
02:03PM 21 prior art to the patent.

02:03PM 22 THE COURT: All right. Let me hear a  
02:03PM 23 response to the relevance argument.

02:03PM 24 MR. TRAUPMAN: Yes, Your Honor, Matt  
02:03PM 25 Traupman on behalf of Motorola.

02:03PM 1 We are alleging that the ReplayTV is  
02:03PM 2 prior art under Section 102(g). And under 102(g) there  
02:03PM 3 are two dates that are important under the statute; the  
02:03PM 4 date of conception and the date of reduction of  
02:03PM 5 practice.

02:03PM 6 We're contending that establish the date  
02:03PM 7 of conception using another ReplayTV document, the  
02:03PM 8 software specification that's written in 1997 that  
02:03PM 9 shows that ReplayTV had conceived of their DVR before  
02:03PM 10 TiVo conceived of their DVR. Now, under the law under  
02:03PM 11 Section 102(g), we need to show a diligent -- diligent  
02:04PM 12 efforts to reduce that invention to practice. That can  
02:04PM 13 happen under the law after TiVo's conception. It's the  
02:04PM 14 comparing the relative conception dates which we  
02:04PM 15 believe we are -- ReplayTV is first.

02:04PM 16 So this evidence, this source code and  
02:04PM 17 this box shows ReplayTV's actual reduction in practice,  
02:04PM 18 therefore perfecting our claim that it's prior art  
02:04PM 19 under Section 102(g).

02:04PM 20 There was a mention on artist rendering,  
02:04PM 21 that was the exhibit that Ms. Ducca mentioned was  
02:04PM 22 withdrawn, so we're just talking about three exhibits  
02:04PM 23 that relate to source code and one that relates to the  
02:04PM 24 physical device.

02:04PM 25 THE COURT: Okay. So the artist's

02:04PM 1 rendition is out?

02:04PM 2 MR. TRAUPMAN: Yes, Your Honor.

02:04PM 3 THE COURT: All right. Additional from  
02:04PM 4 TiVo?

02:04PM 5 MS. GORDNIA: Your Honor, everything  
02:04PM 6 that Counsel said doesn't provide any sort of basis for  
02:04PM 7 the relevancy of the actual box. The box itself was  
02:04PM 8 offered for inspection, but Mr. Gray, Motorola and Time  
02:04PM 9 Warner Cable's expert, said that he didn't do any  
02:04PM 10 analysis of the box itself. So the arguments that  
02:05PM 11 Counsel just referenced can be made without necessarily  
02:05PM 12 bringing a DVR that's from 1999 or later into the  
02:05PM 13 courtroom and then talking around it about prior art  
02:05PM 14 and possibly leading some Jurors to believe that this,  
02:05PM 15 in fact, is the box that predates the patent when we  
02:05PM 16 know it's not and the code is in the same -- same  
02:05PM 17 situation.

02:05PM 18 THE COURT: But do you -- what's your  
02:05PM 19 response to their argument that their conception could  
02:05PM 20 predate the patent as long as they show that they  
02:05PM 21 continued to work on it without abandoning it and it  
02:05PM 22 ripened into this at a later date?

02:05PM 23 MS. GORDNIA: The response is that they  
02:05PM 24 can still offer those types of arguments without  
02:05PM 25 necessarily bringing a commercial unit into the



02:05PM 1 courtroom and parading it as though it's prior art.  
02:05PM 2 There's potentially other relevant -- other evidence  
02:06PM 3 that they could cite to without necessarily bringing in  
02:06PM 4 a device.

02:06PM 5 And if they were to do so, the Jury  
02:06PM 6 should be instructed that the device itself is not  
02:06PM 7 prior art and there should be some sort of limiting  
02:06PM 8 instruction for the Jury so as to avoid any confusion  
02:06PM 9 and prejudice to TiVo.

02:06PM 10 THE COURT: All right. Motorola, what's  
02:06PM 11 your response to that, that you can do exactly what you  
02:06PM 12 want to do, you just don't have to wave the box in  
02:06PM 13 front of the Jury?

02:06PM 14 MR. TRAUPMAN: Your Honor, as I  
02:06PM 15 mentioned, Section 102(g) requires that we show that  
02:06PM 16 the invention was actually reduced to practice. I  
02:06PM 17 can't think of a better way of showing that the  
02:06PM 18 invention was actually reduced to practice than  
02:06PM 19 bringing it in front -- a box in front of the Jury.  
02:06PM 20 That is the same invention that was first conceived of  
02:06PM 21 in the ReplayTV software specification from 1997. It  
02:06PM 22 very clearly talks about all the features that end up  
02:06PM 23 maturing into this box.

02:06PM 24 This shows the box as well as the source  
02:07PM 25 code shows that ReplayTV didn't just have some idea in

02:07PM 1 their mind, they followed through with it and they made  
02:07PM 2 an actual -- an actual device and that is a prior  
02:07PM 3 invention under Section 102(g).

02:07PM 4 MR. BIRNHOLZ: Your Honor, could I add  
02:07PM 5 something on behalf of TiVo, briefly?

02:07PM 6 THE COURT: Briefly.

02:07PM 7 MR. BIRNHOLZ: That the --

02:07PM 8 THE COURT: Go to the podium --

02:07PM 9 MR. BIRNHOLZ: -- Replay --

02:07PM 10 THE COURT: -- if you're --

02:07PM 11 MR. BIRNHOLZ: Thank you, Your Honor.

02:07PM 12 The ReplayTV box was -- has been admitted that it does  
02:07PM 13 not have the automatic flow control of the '389 patent.  
02:07PM 14 So to talk about this reduction of practice of the  
02:07PM 15 invention, what invention are we talking about?

02:07PM 16 There's no dispute that ReplayTV had a  
02:07PM 17 product and Your Honor is exactly right, the issue is  
02:07PM 18 you shouldn't be able to wave that box in front of the  
02:07PM 19 Jury and say this box here that's in front of you,  
02:07PM 20 which we know shipped in 1999 at the earliest is prior  
02:07PM 21 art. It's not. The code that's on that box is not  
02:08PM 22 prior art because that shipped much later in 1999, so  
02:08PM 23 that's really what's going on here.

02:08PM 24 They'll be able to use whatever  
02:08PM 25 appropriate arguments there are on ReplayTV, but I

02:08PM 1 don't think there are any because the box and the code  
02:08PM 2 are too late.

02:08PM 3 THE COURT: Well, it's not the date,  
02:08PM 4 Counsel. I mean, they've got the argument that their  
02:08PM 5 conception predates yours and they just didn't reduce  
02:08PM 6 it to practice until later and that this is evidence of  
02:08PM 7 it being reduced to practice. But I thought you were  
02:08PM 8 going to tell me that these exhibits don't embody the  
02:08PM 9 conception that's at issue here. Now, that -- that  
02:08PM 10 would be something I'd be interested in knowing.

02:08PM 11 MR. BIRNHOLZ: The issue is it's  
02:08PM 12 what's -- the conception of what, Your Honor? They  
02:08PM 13 admit that there's no flow control. So if we're  
02:08PM 14 talking about whatever ReplayTV did, that's different  
02:08PM 15 than the '389 patent. It's not in dispute that they  
02:08PM 16 didn't -- that the box itself doesn't have the flow  
02:09PM 17 control of the '389 patent.

02:09PM 18 THE COURT: Motorola, is that true?

02:09PM 19 MR. TRAUPMAN: Your Honor, we're using  
02:09PM 20 ReplayTV as an obviousness reference, combining it  
02:09PM 21 with -- with the Krause patents and other secondary  
02:09PM 22 references. So yes, when you're dealing with  
02:09PM 23 obviousness by definition there are some limitations of  
02:09PM 24 the patent that aren't present in the claims. That  
02:09PM 25 does not make it not prior art.

02:09PM 1 We have, you know, in -- Mr. Gray, our  
02:09PM 2 expert, explained why it would have been obvious to  
02:09PM 3 modify the ReplayTV device so that it does practice  
02:09PM 4 flow control. That's quintessential obviousness, Your  
02:09PM 5 Honor.

02:09PM 6 THE COURT: All right. I understand  
02:09PM 7 this is a big part of the fight, but I also understand  
02:09PM 8 that's why we have a Jury to weigh and allocate weight  
02:09PM 9 to the evidence. I'm going to overrule the objections  
02:10PM 10 and allow these exhibits.

02:10PM 11 MR. BIRNHOLZ: Your Honor, could I just  
02:10PM 12 state for the record that we don't know what's inside  
02:10PM 13 this box, that's the problem.

02:10PM 14 THE COURT: You can state that for the  
02:10PM 15 record, but my ruling stands. You can certainly  
02:10PM 16 cross-examine it at great length.

02:10PM 17 All right. Let's go on to category 10.

02:10PM 18 MS. DUCCA: Your Honor, if I may, I  
02:10PM 19 believe we're on objection 7, unless --

02:10PM 20 THE COURT: I'm sorry.

02:10PM 21 MR. BIRNHOLZ: It's Motion In Limine 10.

02:10PM 22 THE COURT: It's Motion In Limine 10. I  
02:10PM 23 looked at the wrong number. It's category 7, you're  
02:10PM 24 right, Counsel.

02:10PM 25 MS. DUCCA: I don't believe we have any

02:10PM 1 agreements with respect to this objection category; is  
02:10PM 2 that correct?

02:10PM 3 MR. BIRNHOLZ: Yes, that's correct.

02:10PM 4 THE COURT: All right. Then I'll hear  
02:10PM 5 the underlying objections.

02:10PM 6 MR. BIRNHOLZ: Thank you, Your Honor.

02:10PM 7 So this objection category relates to Grass Valley and  
02:10PM 8 the exhibits that are in this -- in this -- subject to  
02:11PM 9 this objection are the source code for version 2.2  
02:11PM 10 Grass Valley, that's Exhibit 1674. Then there are  
02:11PM 11 three physical devices, 1698, which is the one  
02:11PM 12 purportedly shipped in May of '97. The 1699 is a  
02:11PM 13 device that we were never -- was never offered to us in  
02:11PM 14 an operational stage, was never powered on. And  
02:11PM 15 Exhibit 1700 is a -- the so-called 2.2 device from  
02:11PM 16 February 1998 or at least purported to be.

02:11PM 17 And the next set of exhibits, 1701 to  
02:11PM 18 1706 are a bucket of parts. And the last two exhibits  
02:11PM 19 are simply all the codes cited in the expert reports.

02:11PM 20 And so let me take these, I guess, in  
02:11PM 21 reverse order. So in a -- in the category of exhibits  
02:12PM 22 that's all the code cited in the expert report, we're  
02:12PM 23 having a little difficulty responding to that and  
02:12PM 24 objecting, they were obviously components and I don't  
02:12PM 25 know what the other side's plan is in terms of putting

02:12PM 1 in all the code cited in the expert report. It  
02:12PM 2 embraces many pieces of code that are subject to  
02:12PM 3 objection, such as Exhibit 1674, which is version 2.2  
02:12PM 4 of the Grass Valley code.

02:12PM 5 And so this is the argument that I made  
02:12PM 6 earlier, that version 2.2 of the code is too late to be  
02:12PM 7 prior art. It's too late to be prior art to the '195  
02:12PM 8 patent because it's admitted to be -- have been  
02:12PM 9 released October 24th, 1997 at the earliest and the  
02:12PM 10 priority date for the '195 patent is October 10th.

02:12PM 11 It's also not prior art under Section  
02:12PM 12 102(b) because it's not more than a year before TiVo's  
02:12PM 13 effective filing date. And it's also the same code  
02:12PM 14 that has the dates that we mentioned earlier about  
02:12PM 15 1998, 1999, and 2000. And so the code is on its face,  
02:13PM 16 version 2.2, is too late to be prior art so that code  
02:13PM 17 should be excluded.

02:13PM 18 The devices are subject to the objection  
02:13PM 19 that we made earlier, which was that we don't know what  
02:13PM 20 condition these devices are in based on the condition  
02:13PM 21 they're in today as compared to what they were during  
02:13PM 22 the prior art period. So there's not a proper  
02:13PM 23 foundation or authentication for these device exhibits.  
02:13PM 24 And it's a similar problem where there -- they should  
02:13PM 25 not be able to parade devices in front of the Jury and

02:13PM 1 say they're prior art when we don't know if they're in  
02:13PM 2 the same condition that they were in the prior art  
02:13PM 3 period.

02:13PM 4 1699 was never offered in an operational  
02:13PM 5 state. I have no idea what it is and what it does. So  
02:13PM 6 that's an exhibit that is irrelevant and also subject  
02:13PM 7 to 403. Same for the bucket of parts, 1701 to 1706.

02:14PM 8 THE COURT: What about 1674, 1698, and  
02:14PM 9 1700?

02:14PM 10 MR. BIRNHOLZ: So 1694 was the version  
02:14PM 11 2.2 code with the late dates.

02:14PM 12 THE COURT: 1674?

02:14PM 13 MR. BIRNHOLZ: 1674, sorry, I misspoke,  
02:14PM 14 Your Honor.

02:14PM 15 THE COURT: Okay.

02:14PM 16 MR. BIRNHOLZ: 1698 is the so-called 2.1  
02:14PM 17 device. 1699 -- we addressed 1700. 1700 is the other  
02:14PM 18 device, the so-called 2.2 device.

02:14PM 19 THE COURT: And which device is 1699?

02:14PM 20 MR. BIRNHOLZ: That's a device that we  
02:14PM 21 have no idea. It's never been -- it was not offered in  
02:14PM 22 an operational state and was never powered on.

02:14PM 23 THE COURT: All right. 1698 and 1700  
02:14PM 24 were in an operational state, I gather?

02:14PM 25 MR. BIRNHOLZ: Those were inspected by

02:14PM 1 the experts, yes, Your Honor.

02:14PM 2 THE COURT: Okay. Let me hear a  
02:14PM 3 response from Motorola.

02:15PM 4 MR. TRAUPMAN: Yes, Your Honor. Let me,  
02:15PM 5 if I can, start with the source code first. So the  
02:15PM 6 '389 and '465 patents were both filed in July -- on  
02:15PM 7 July 30th, 1998. The evidence, even assuming Mr.  
02:15PM 8 Birnholz's version of the facts, that source code was  
02:15PM 9 released on October 24th, 1997. That's several months  
02:15PM 10 prior to the filing date of the TiVo patents. It makes  
02:15PM 11 that source code and the devices running the source  
02:15PM 12 code prior art under 102(a) and 102(g).

02:15PM 13 Now, with respect to the '195 patent, the  
02:15PM 14 '195 patent has a priority date of October 10th, 1995,  
02:15PM 15 which is two weeks, obviously, after the October 20 --  
02:15PM 16 two weeks before the October 24th date the version 2.2  
02:15PM 17 code; however, we have press releases from September of  
02:15PM 18 1997 from Grass Valley announcing the version 2.2 code  
02:15PM 19 saying here's all the features set that's in the 2.2  
02:15PM 20 code.

02:16PM 21 We have a Grass Valley witness, a former  
02:16PM 22 Grass Valley employee, coming to testify at trial. He  
02:16PM 23 will say when Grass Valley makes a press release, and  
02:16PM 24 this is actually in conjunction with a major trade show  
02:16PM 25 where they're showing devices to their customers, when



02:16PM 1 Grass Valley makes a press release about that, that  
02:16PM 2 means the code is set. You're not going to -- they're  
02:16PM 3 got going to go announcing features in a code -- code  
02:16PM 4 before they know what the features are going to be.

02:16PM 5 So we have a, at least under 102(g),  
02:16PM 6 evidence of a September '97 date. Moreover, Mr.  
02:16PM 7 Witnah, who is Grass Valley's 30(b)(6) deponent in this  
02:16PM 8 case, who was going to testify via deposition, said and  
02:16PM 9 there's also Mr. McDonnell, who's the witness coming  
02:16PM 10 live for trial is also going to corroborate this, said  
02:16PM 11 that any time Grass Valley would roll out a new release  
02:16PM 12 of code, they would perform three to six months of Beta  
02:17PM 13 testing at customer sites with no limitations on  
02:17PM 14 confidentiality for that Beta testing. And again, all  
02:17PM 15 the features of version 2.2 would have been in that  
02:17PM 16 Beta test. So that takes the Beta test date to  
02:17PM 17 sometime in the May to July time frame of 1997.

02:17PM 18 So we believe that we can show that the  
02:17PM 19 version 2.2 code is, in fact, early enough in time and  
02:17PM 20 the witness who's going to testify live at trial is  
02:17PM 21 going to testify to that and TiVo's going to have full  
02:17PM 22 opportunity to cross-examine him, but we believe the  
02:17PM 23 document -- documentary evidence fully corroborates  
02:17PM 24 his -- his -- his testimony.

02:17PM 25 THE COURT: What -- do you dispute

02:17PM 1 opposing Counsel's statement that PX-1699 was never  
02:17PM 2 produced in the operational state?

02:17PM 3 MR. TRAUPMAN: Yes, I do, Your Honor,  
02:17PM 4 and I'll explain that as well. So all three of these  
02:17PM 5 devices were made available for inspection. There were  
02:17PM 6 limits -- these are semi big -- fairly big devices, not  
02:18PM 7 huge. There are limits as to how many working devices  
02:18PM 8 you can have at one time.

02:18PM 9 So the -- two of the three devices were  
02:18PM 10 presented in a working state, just set up, ready to go  
02:18PM 11 because that was the limitation on the inspection. The  
02:18PM 12 third device was there. All they had to do is ask us  
02:18PM 13 to hook it up and, you know, rearrange the -- the  
02:18PM 14 demonstration and we would have been happy to have  
02:18PM 15 allowed them to inspect it. They never asked. It just  
02:18PM 16 sat in the corner and then they never followed up, they  
02:18PM 17 never said, hey, do you really want to look at this?  
02:18PM 18 Can you turn it on or anything like that. They just  
02:18PM 19 let it sit there and are now saying we never offered it  
02:18PM 20 for inspection, which I would respectfully disagree  
02:18PM 21 with.

02:18PM 22 THE COURT: So what's the limitation  
02:18PM 23 that you can have two set up and working but not three?  
02:18PM 24 Are you talking about the size of the room you were in?  
02:18PM 25 Tell me what you're talking about.

02:18PM 1 MR. TRAUPMAN: Yes, it's -- I believe  
02:18PM 2 it's the size of the room and also to have it so these  
02:18PM 3 devices take inputs from external sources. If you want  
02:18PM 4 to see a working device set up, you need to hook up a  
02:18PM 5 computer, a monitor, a DVD player or some other video  
02:19PM 6 source. We had two, not -- but not three. That's just  
02:19PM 7 the way -- way our setup was -- was -- was made. We  
02:19PM 8 could have easily rearranged and switched those video  
02:19PM 9 sources to the third device, had they asked. It wasn't  
02:19PM 10 anything to try to prevent them from -- from inspecting  
02:19PM 11 that device.

02:19PM 12 THE COURT: Talk to me about this group  
02:19PM 13 of parts, 1701 through 1706. What's your position on  
02:19PM 14 that?

02:19PM 15 MR. TRAUPMAN: Yeah, so -- and the --  
02:19PM 16 the Grass Valley witness who's going to come testify at  
02:19PM 17 trial, and if you read the user manual and -- and the  
02:19PM 18 installation manual for the PDR200, you see that  
02:19PM 19 there's a main box and that's what Exhibit 1698, 1699,  
02:19PM 20 and 1700 are, but there are ancillary, you know,  
02:19PM 21 devices that were all sold together with -- in one  
02:19PM 22 package. They're listed on the -- in the installation  
02:19PM 23 manual. So these bucket of parts are actually the rest  
02:19PM 24 of the fully functioning device, it just wasn't all  
02:19PM 25 physically housed in one unit.

02:19PM 1 We made the entire device available for  
02:19PM 2 inspection. Our Grass Valley witness is going to come  
02:20PM 3 testify at trial and say that these are exactly what  
02:20PM 4 was being sold in 1997 and that they're authentic parts  
02:20PM 5 and this is how -- they had the same functionality back  
02:20PM 6 then as they have today.

02:20PM 7 THE COURT: Anything further from TiVo?

02:20PM 8 MR. BIRNHOLZ: Your Honor, we don't know  
02:20PM 9 the contents of the devices that are being offered as  
02:20PM 10 evidence. We don't know the code that's on the  
02:20PM 11 devices. We don't know anything else about it. The  
02:20PM 12 about screen has a 2012 date when you look at it, so  
02:20PM 13 that doesn't help me date anything.

02:20PM 14 As for the powering on issue, the two  
02:20PM 15 limitation, two devices, we asked them to power it on,  
02:20PM 16 they said no. They wouldn't let us look and -- they  
02:20PM 17 wouldn't let us inspect inside it apparently either.  
02:20PM 18 And so -- and the code to say now that the code that  
02:20PM 19 has dates from '98, '99, and 2000 dates from even  
02:20PM 20 earlier than they're saying, that's -- that's just  
02:21PM 21 belied by the face of the document and I don't see how  
02:21PM 22 you can ask to admit a document as 1997 code when the  
02:21PM 23 date of the document says '98, '99, and 2000 in various  
02:21PM 24 files in the code. That's the -- the first exhibit in  
02:21PM 25 the version 2.2 code.

02:21PM 1 It's too late because -- it's a little  
02:21PM 2 too late no matter what, even giving them the earliest  
02:21PM 3 date for the '195 patent and it's too late for the  
02:21PM 4 other patents because the dates that are in the files.

02:21PM 5 THE COURT: Well, I'll be honest,  
02:21PM 6 Counsel, it's distressing that we're not arguing about  
02:21PM 7 evidentiary matters, we're arguing about factual  
02:21PM 8 things. They didn't ask to turn it on. We asked to  
02:21PM 9 turn it on and they wouldn't. It has this date on it.  
02:21PM 10 No, it has that date on it.

02:21PM 11 You know, it's difficult for the Court to  
02:21PM 12 apply the Rules of Evidence when there's a dispute  
02:21PM 13 about what actually is before the Court. And if I need  
02:21PM 14 to look at these things physically so I can see what  
02:21PM 15 date's on them, I can do that. But we have trial  
02:21PM 16 coming up next week and none of us have the luxury of  
02:22PM 17 that much time.

02:22PM 18 Either both of you are very confused or  
02:22PM 19 somebody has given me bad information and neither one  
02:22PM 20 is a very good state of affairs. Is there some way  
02:22PM 21 that we can cut through this without me actually taking  
02:22PM 22 the time to look at the items we're talking about and  
02:22PM 23 see the dates on them and see the -- the disputed  
02:22PM 24 issues that you're telling me two different things  
02:22PM 25 about?

02:22PM 1 MR. BIRNHOLZ: Well, I -- Motorola could  
02:22PM 2 respond. We'd be happy to provide Your Honor with a  
02:22PM 3 file listing that shows the various dates that range  
02:22PM 4 into 2000. I don't think that's a very voluminous  
02:22PM 5 point.

02:22PM 6 THE COURT: Motorola?

02:22PM 7 MR. TRAUPMAN: Yes, Your Honor.

02:22PM 8 THE COURT: It's hard to know whether,  
02:22PM 9 you know, the circle or the square comes in and you're  
02:22PM 10 telling me it's a circle and he's telling me it's a  
02:22PM 11 square.

02:22PM 12 MR. TRAUPMAN: Well, I -- I don't know  
02:22PM 13 specifically which files he's referring to. The files  
02:22PM 14 that our expert relied upon, to the best of my  
02:23PM 15 knowledge, are not dated in '99. So I -- you know, we  
02:23PM 16 can try to work that out and we can show you, you know,  
02:23PM 17 try to work that out and see if there's additional  
02:23PM 18 evidence we could present to the Court on this issue.

02:23PM 19 THE COURT: Well, here's what I'm going  
02:23PM 20 to do. I'm going to grant the objection to 1699. You  
02:23PM 21 presented it. You had an obligation to power it up and  
02:23PM 22 show it in working order. Now, the stuff about the  
02:23PM 23 accommodations it was in, didn't accommodate it,  
02:23PM 24 that -- that just doesn't work. You were there to  
02:23PM 25 present it. It was your obligation to present it.

02:23PM 1 They didn't have to beg you for it or ask you to do it.  
02:23PM 2 It wasn't in working order. It's not going to be  
02:23PM 3 considered.

02:23PM 4 These other items, I'm going to direct --  
02:23PM 5 I'm going to direct you to meet and confer and report  
02:23PM 6 back to me before the day is over and we'll come back  
02:23PM 7 to these. I want to know what the facts are. I want  
02:23PM 8 to know what the dates are. I don't want to hear two  
02:23PM 9 different factual assertions that can't both be right,  
02:24PM 10 because quite honestly, unless I know those underlying  
02:24PM 11 facts, I can't rule intelligently on whether they come  
02:24PM 12 in or not.

02:24PM 13 So I'm going to carry everything except  
02:24PM 14 1699. I'm going to grant the objection on 1699 and we  
02:24PM 15 can have another level of parallel meeting and  
02:24PM 16 conferring going on and I'll hear back on this later.

02:24PM 17 MR. TRAUPMAN: Thank you, Your Honor.

02:24PM 18 MR. BIRNHOLZ: Thank you, Your Honor.

02:24PM 19 THE COURT: All right. Objection  
02:24PM 20 Category 8.

02:24PM 21 MS. DUCCA: With respect to Objection  
02:24PM 22 Category 8, Motorola and Time Warner Cable have  
02:24PM 23 withdrawn Exhibits PX-87, PX-160 -- excuse me, I did it  
02:24PM 24 again, Your Honor.

02:24PM 25 THE COURT: That's all right.

02:24PM 1 MS. DUCCA: We have withdrawn Exhibits  
02:24PM 2 PX-295, PX-296, Exhibits 2 -- PX-297, 298, 299, and  
02:25PM 3 300.

02:25PM 4 We have not withdrawn Exhibits PX-87,  
02:25PM 5 Exhibits PX-162, 291, 294, 2644, 2645, and 2653. And  
02:25PM 6 it's my understanding from the meet and confer that  
02:25PM 7 TiVo still maintains their objections to those  
02:25PM 8 exhibits.

02:25PM 9 THE COURT: Then I'll hear from TiVo on  
02:25PM 10 those surviving exhibits from this category.

02:25PM 11 MR. BIRNHOLZ: Thank you, Your Honor.  
02:25PM 12 Richard Birnholz again for TiVo.

02:25PM 13 Just the -- two of the last three  
02:25PM 14 Exhibits, 2644 and 2645 are those global exhibits that  
02:25PM 15 say all the codes cited in the expert reports, so Your  
02:25PM 16 Honor's rulings with any particular item of code will  
02:25PM 17 apply to those exhibits as well. The -- this -- these  
02:25PM 18 remaining -- excuse me one moment, Your Honor.

02:26PM 19 So Your Honor, I was confused for a  
02:26PM 20 moment as to the subject matter of these exhibits.  
02:26PM 21 These documents are the iMedia documents that were the  
02:26PM 22 subject of Motion In Limine No. 11, which Ms. Gordnia  
02:26PM 23 argued earlier to the Court where we have the home  
02:26PM 24 video server and the documents that are intended to  
02:26PM 25 prove this home vide server that the witnesses from



02:26PM 1 iMedia have testified that they abandoned. And so  
02:26PM 2 the -- the arguments that apply for Motion In Limine  
02:26PM 3 No. 11 would apply to these exhibits.

02:26PM 4 There's another layer of -- of importance  
02:26PM 5 here is that these documents are related to the summary  
02:26PM 6 judgment motion that is pending before Your Honor on  
02:26PM 7 the derivation and the so-called Yang unjust enrichment  
02:27PM 8 type theories, they're business documents from iMedia.  
02:27PM 9 And so the -- the Court's disposition of that motion  
02:27PM 10 would resolve the admissibility of these exhibits as  
02:27PM 11 well, in -- in our view. So they're relating to a home  
02:27PM 12 video server product that was abandoned and business  
02:27PM 13 documents that are alleged to have existed and have  
02:27PM 14 been communicated with Mr. Yang and those would be  
02:27PM 15 excluded subject to the Court's ruling, if the Court  
02:27PM 16 were to grant the summary judgment motion.

02:27PM 17 THE COURT: Well, as I recall when we  
02:27PM 18 got to Motion In Limine No. 11, I cited a pending  
02:27PM 19 motion to strike portions of Stephen Gray's testimony  
02:27PM 20 and indicated those documents would rise or fall with  
02:27PM 21 that. You mentioned a summary judgment, am I confusing  
02:28PM 22 this with something else or was it the -- was it the  
02:28PM 23 Daubert motion that's been --

02:28PM 24 MR. BIRNHOLZ: There -- there may be  
02:28PM 25 overlap with some of the underlying iMedia documents.

02:28PM 1 So to the extent the -- the experts rely on some -- on  
02:28PM 2 the technical documents, that would be a different  
02:28PM 3 category, being sent their business plan documents that  
02:28PM 4 were allegedly communicated to Mr. Yang that would be  
02:28PM 5 tied with the summary judgment motion.

02:28PM 6 THE COURT: All right. What's  
02:28PM 7 Motorola's response?

02:28PM 8 MR. WHITEHURST: Your Honor, Alan  
02:28PM 9 Whitehurst. I'm not prepared to address the other  
02:28PM 10 motions that are pending, but as we understand it, this  
02:28PM 11 objection is duplicative of the motion that you ruled  
02:28PM 12 on this morning. That motion was argued by Mr. Nelson  
02:28PM 13 and as he pointed out, there was a misunderstanding of  
02:28PM 14 the law and mischaracterization of the facts. We think  
02:28PM 15 the same reasons that the Motion In Limine was denied,  
02:29PM 16 this objection should be denied as well and we can take  
02:29PM 17 up the other issues when we get to those motions.

02:29PM 18 THE COURT: Well, without completely  
02:29PM 19 rearguing the Motion In Limine, give me a brief  
02:29PM 20 overview of your substantive arguments as to these  
02:29PM 21 surviving exhibits or why you think they're -- why you  
02:29PM 22 think these exhibits should be admitted.

02:29PM 23 MR. WHITEHURST: These -- these exhibits,  
02:29PM 24 as I understand it, are iMedia source code and we're  
02:29PM 25 going to have witnesses testifying about this source

02:29PM 1 code, witnesses that have firsthand knowledge. The  
02:29PM 2 source code is -- is relevant to iMedia's home video  
02:29PM 3 server, which is not only prior art to TiVo's patents  
02:29PM 4 in suit, but it was also demonstrated to Mr. Yang.

02:30PM 5 THE COURT: All right. Something  
02:30PM 6 further, Mr. Birnholz?

02:30PM 7 MR. BIRNHOLZ: This, Your Honor, is  
02:30PM 8 the -- is the incomplete code that was nonoperational  
02:30PM 9 and expressly testified to being abandoned.

02:30PM 10 THE COURT: Are you making  
02:30PM 11 authentication or foundation objections to these?

02:30PM 12 MR. BIRNHOLZ: Yes, Your Honor, and  
02:30PM 13 another objection, it's in another bucket of  
02:30PM 14 categories, another bucket of documents. 17 --

02:30PM 15 THE COURT: You lost me there.

02:30PM 16 MR. BIRNHOLZ: I've been in --

02:30PM 17 THE COURT: You've got a bucket of parts  
02:30PM 18 and --

02:30PM 19 MR. BIRNHOLZ: I've been --

02:30PM 20 THE COURT: -- now you've got a bucket of  
02:30PM 21 something else.

02:30PM 22 MR. BIRNHOLZ: I -- I -- be the last  
02:30PM 23 time I use that word. The -- I've been told it's  
02:31PM 24 objection 17 is the foundation.

02:31PM 25 THE COURT: But it goes to the same

02:31PM 1 exhibits, is what you're saying?

02:31PM 2 MR. BIRNHOLZ: It's included in a larger  
02:31PM 3 set, that's correct.

02:31PM 4 THE COURT: Well, 17 appears to be --

02:31PM 5 MR. WHITEHURST: Yeah, I was going to --

02:31PM 6 MR. BIRNHOLZ: So the device that is  
02:31PM 7 being put forth has been admitted to be nonoperational.  
02:31PM 8 This is the code for that so-called nonoperational  
02:31PM 9 device that doesn't do anything. And again, this is a  
02:31PM 10 product that -- that died on the vine, by the admission  
02:31PM 11 of the inventors. So it's not -- it's not prior art.  
02:31PM 12 It's not relevant and should not be admitted.

02:31PM 13 THE COURT: All right. Is this the code  
02:31PM 14 for PX-1699 that I just granted the objection on? You  
02:31PM 15 said nonoperational or is that another nonoperational  
02:31PM 16 device?

02:31PM 17 MR. BIRNHOLZ: Your Honor, it's another  
02:32PM 18 nonoperational device. In fact, it's not even a  
02:32PM 19 device. This is the home video server which there --  
02:32PM 20 there's no photos, there's no machine, there's no  
02:32PM 21 product, there's nothing. You will not see anything in  
02:32PM 22 this proceeding that is a home video server. We don't  
02:32PM 23 have -- we don't have anything physical relating to  
02:32PM 24 that.

02:32PM 25 THE COURT: All right. Counsel, you

02:32PM 1 want to respond to that for me? You going to tag team  
02:32PM 2 me now?

02:32PM 3 MR. NELSON: This goes back to the  
02:32PM 4 Motion In Limine thing that I argued this morning, Your  
02:32PM 5 Honor. Dave Nelson, for the record.

02:32PM 6 THE COURT: All right, Mr. Nelson. I'll  
02:32PM 7 allow you to go forward.

02:32PM 8 MR. NELSON: Okay. Thank you, I  
02:32PM 9 appreciate that, Your Honor. So what we're getting  
02:32PM 10 back in to is rearguing that Motion In Limine No. 11.  
02:32PM 11 You recall when I went through that, there is a  
02:32PM 12 dispute. What they say is, well, the home video  
02:32PM 13 server, this iMedia home video server is not prior art  
02:32PM 14 because they abandoned it. And I went through the fact  
02:32PM 15 that they didn't abandon that, that they actually did  
02:33PM 16 it, built a prototype, demonstrated it publicly.

02:33PM 17 The source code in these exhibits we're  
02:33PM 18 talking about are part of the 102(g) story in order to  
02:33PM 19 show that they, in fact, didn't abandon that. So under  
02:33PM 20 the cases that -- and -- and I'm not going to go back  
02:33PM 21 through them, I went through a lot this morning,  
02:33PM 22 understand, Your Honor, but under the law, those are  
02:33PM 23 not abandoned.

02:33PM 24 We'll have the witness come up so as to  
02:33PM 25 the authentication issues, they'll be the witness to

02:33PM 1 testify to these, provide that foundation and  
02:33PM 2 authentication. So that's premature to resolve those  
02:33PM 3 objections at this stage of the game. But as to the  
02:33PM 4 broader argument, we're back to the Motion In Limine  
02:33PM 5 again, which is that TiVo wants you to rule as really a  
02:33PM 6 matter of summary judgment that the home video server  
02:33PM 7 cannot be prior art under 102(g).

02:33PM 8 And that, frankly, is a factual dispute  
02:33PM 9 for the reasons that I talked about earlier and this  
02:33PM 10 evidence is to show that, in fact, it was conceived and  
02:34PM 11 it was publicly displayed through various times and the  
02:34PM 12 source code is one of the things that's used to  
02:34PM 13 corroborate that.

02:34PM 14 THE COURT: All right.

02:34PM 15 MR. BIRNHOLZ: Your Honor, when you were  
02:34PM 16 ruling on the Motion In Limine, you expressly said you  
02:34PM 17 would take it up as an exhibit and this particular  
02:34PM 18 piece of code, there's no foundation for it because  
02:34PM 19 they're -- they're trying to say that it is prior art  
02:34PM 20 that operated in a certain way. And we know from the  
02:34PM 21 admission of the inventors that it did not break, so  
02:34PM 22 it's -- it's -- there's no -- it can't be evidence that  
02:34PM 23 it worked in a certain -- in a certain way.

02:34PM 24 And as part of the 102(g) story, they  
02:34PM 25 don't need the code because -- if -- if they, in fact,

02:34PM 1 disclose this product in their patent application,  
02:34PM 2 which is their end result of their 102(g) efforts, they  
02:34PM 3 wouldn't need the code. If it was disclosed in the  
02:34PM 4 patent that there -- that it's publicly available, then  
02:35PM 5 they would rely on the patent.

02:35PM 6 And so to say that this -- that we need  
02:35PM 7 this evidence that's not operational code completes  
02:35PM 8 their 102(g) story just proves that they really need  
02:35PM 9 this code that wasn't prior art because it was never  
02:35PM 10 publicly disclosed and it's not -- and there's no  
02:35PM 11 foundation for this code because to say that it worked  
02:35PM 12 in a certain way, it was testified to be  
02:35PM 13 nonoperational.

02:35PM 14 THE COURT: All right. With regard to  
02:35PM 15 the surviving documents not withdrawn under objection  
02:35PM 16 category No. 8, I'm going to deny the objection. That  
02:35PM 17 doesn't mean that TiVo can't reurge its  
02:35PM 18 unauthentication or its hearsay objections when we get  
02:35PM 19 to category 17 as to these documents. But for now  
02:35PM 20 that's a -- that's as to the -- as to the level of  
02:36PM 21 objection raised as a part of objection category 8, the  
02:36PM 22 objection is denied.

02:36PM 23 Let's go to category 9.

02:36PM 24 MS. DUCCA: Your Honor, with respect to  
02:36PM 25 category 9, Motorola and Time Warner Cable have

02:36PM 1 withdrawn Exhibit PX-86. We have not withdrawn  
02:36PM 2 Exhibits PX-252, 267, 284, and 1739. And I understand  
02:36PM 3 that TiVo's maintaining their objections to those  
02:36PM 4 exhibits.

02:36PM 5 THE COURT: All right. Then I'll hear  
02:36PM 6 from TiVo on those surviving objections.

02:36PM 7 MR. BIRNHOLZ: Thank you, Your Honor.  
02:36PM 8 Richard Birnholz again.

02:36PM 9 These are the exhibits that I was  
02:36PM 10 confused about a moment ago. So the four surviving  
02:36PM 11 exhibits are being represented as correspondence  
02:36PM 12 between iMedia and Geoff Yang. And 252 and 267 are --  
02:37PM 13 are printouts, they appear, that are unsigned letters  
02:37PM 14 from Adam Tom of iMedia to Geoff Yang, who is the  
02:37PM 15 financier, and the -- the letters.

02:37PM 16 If I could put 252 on the screen, please?

02:37PM 17 So you can see that what we have is a  
02:37PM 18 letter that is unsigned with no delivery information,  
02:37PM 19 no number of pages, no anything. And when Adam Tom was  
02:37PM 20 asked about this letter, he conceded in his deposition,  
02:37PM 21 and I don't have the -- the cite handy to provide, Your  
02:37PM 22 Honor, that he didn't -- he couldn't tell whether this  
02:37PM 23 letter had been sent. Now, he testified that he  
02:38PM 24 believed it had, but he couldn't tell if it had been  
02:38PM 25 sent. It's not signed. We don't know where this



02:38PM 1 letter came from.

02:38PM 2 And if you could put up also 267, you'll  
02:38PM 3 see the same -- the same thing, where it's another  
02:38PM 4 unsigned letter. It says: Via express mail, but there  
02:38PM 5 are no attachments. So we -- all we have is an  
02:38PM 6 unsigned letter with no attachments.

02:38PM 7 Now, this iMedia's business plan, the  
02:38PM 8 document that's referred to in this document -- in this  
02:38PM 9 letter is a hotly debated issue and that's why this  
02:38PM 10 exhibit it -- or objection is significant because we  
02:38PM 11 don't know what this letter is. We don't know if it  
02:38PM 12 was sent. We don't know what was sent with it, if  
02:38PM 13 anything; and we don't know if it was delivered.

02:38PM 14 And so we're objecting to this on the  
02:38PM 15 grounds that it is hearsay, it is unauthenticated and  
02:38PM 16 there's no foundation for it, this one and the previous  
02:38PM 17 exhibit. This is 267 and 252. The subject matter of  
02:39PM 18 these letters are also -- are also subject to our  
02:39PM 19 pending summary judgment motion.

02:39PM 20 THE COURT: What about 284 and 1739?

02:39PM 21 MR. BIRNHOLZ: 284 and 1739 are e-mail  
02:39PM 22 correspondence.

02:39PM 23 You can put 284 up.

02:39PM 24 And so this raises a couple of issues  
02:39PM 25 where you recall earlier in connection with Motion In

02:39PM 1 Limine No. 12, my argument was they shouldn't be able  
02:39PM 2 to say there was a confidentiality agreement because  
02:39PM 3 iMedia itself admits that they couldn't tell anyone the  
02:39PM 4 terms of that agreement, including whether there was a  
02:39PM 5 term to be -- an ending to the agreement, a start date,  
02:39PM 6 and that these are critical issues in their theory,  
02:39PM 7 which is subject to our summary judgment motion.

02:40PM 8 So there's an e-mail where it says I'll  
02:40PM 9 provide some comments on the nondisclosure. So we have  
02:40PM 10 no evidence in the record as to what those comments  
02:40PM 11 are, such as I'll make something up that could -- could  
02:40PM 12 have happened, which is it'll be valid for one month.  
02:40PM 13 We'll have a -- we'll have a confidentiality agreement  
02:40PM 14 for one month. Or it could have been something more  
02:40PM 15 significant. But the point is that iMedia itself says  
02:40PM 16 they have no idea what these comments are.

02:40PM 17 So admitting this document to say we have  
02:40PM 18 comments on a nondisclosure without any corresponding  
02:40PM 19 evidence by their own admission as to what that -- what  
02:40PM 20 those comments was makes this document inadmissible  
02:40PM 21 under -- under 403 and it's also irrelevant because of  
02:40PM 22 the pending summary judgment motions.

02:40PM 23 And the same would be true for Exhibit  
02:40PM 24 1739, which is also an e-mail exchange between Mr. Yang  
02:41PM 25 and iMedia.

02:41PM 1 THE COURT: All right. Response from  
02:41PM 2 Motorola?

02:41PM 3 MR. WHITEHURST: Your Honor, Alan  
02:41PM 4 Whitehurst again. I just heard two arguments. I'll  
02:41PM 5 take the last one first. That was the argument having  
02:41PM 6 to do with the confidentiality agreement. This was  
02:41PM 7 addressed by Your Honor this morning. This was the  
02:41PM 8 subject of TiVo's Motion In Limine No. 12. We don't  
02:41PM 9 agree with TiVo that these documents necessarily even  
02:41PM 10 mention a confidentiality agreement. But even if they  
02:41PM 11 do, that's not grounds for precluding either of these  
02:41PM 12 two exhibits.

02:41PM 13 The existence of a confidentiality  
02:41PM 14 agreement is a fact question, it's for the Jury, it's  
02:41PM 15 for cross-examination. The Jury can weigh credibility  
02:41PM 16 and give weight as it sees fit. So that's our response  
02:41PM 17 for PX-284 and PX-1739, which were the two e-mails that  
02:41PM 18 you just saw on the screen.

02:42PM 19 Now, as to the other two exhibits, PX-252  
02:42PM 20 and PX-267, it appears that Counsel has jumped forward  
02:42PM 21 to objection 17, which is their unauthenticated hearsay  
02:42PM 22 objection. We're going to get to that in a little bit,  
02:42PM 23 but if I can go ahead and -- and respond to that as  
02:42PM 24 well, I can --

02:42PM 25 THE COURT: You may.

02:42PM 1 MR. WHITEHURST: -- either respond now or  
02:42PM 2 respond later.

02:42PM 3 We're going to have witnesses with  
02:42PM 4 firsthand knowledge of -- of these documents. They're  
02:42PM 5 going to explain that iMedia, they typically save the  
02:42PM 6 documents onto the server. They didn't typically print  
02:42PM 7 out, sign it, scan it, and then say it was scanned back  
02:42PM 8 to the server. That doesn't mean these documents  
02:42PM 9 aren't authentic. It doesn't mean they're not business  
02:42PM 10 records.

02:42PM 11 But more importantly, we're going to have  
02:42PM 12 live witnesses either or -- or through deposition,  
02:42PM 13 witnesses with firsthand knowledge that will testify as  
02:42PM 14 to the authenticity of these documents. They'll be  
02:42PM 15 subject to cross-examination that that's a fact  
02:42PM 16 question and it -- it goes to the Jury and they can  
02:43PM 17 give weight as they see fit.

02:43PM 18 THE COURT: Who's going to be a fact  
02:43PM 19 witness that's going to testify to two unsigned  
02:43PM 20 letters?

02:43PM 21 MR. WHITEHURST: We believe that both  
02:43PM 22 letters that you saw on the screen, Mr. Tom will  
02:43PM 23 testify as to those two documents himself.

02:43PM 24 THE COURT: That's the purported  
02:43PM 25 signatory to the letters?

02:43PM 1 MR. WHITEHURST: If we could put both  
02:43PM 2 those documents back up.

02:43PM 3 PX-252, yes, Your Honor. 252 is Mr. Tom.  
02:43PM 4 Now, I should point out for the Court, these are not  
02:43PM 5 Motorola employees, they're not under our control, but  
02:43PM 6 Mr. Tom testified about this document during his  
02:43PM 7 deposition. It is our current plan, we can't guarantee  
02:43PM 8 that he will, in fact, be here on Monday, but our  
02:43PM 9 current plan is for Mr. Tom, the signatory, the name  
02:43PM 10 that you see here on PX-252 will testify as to this  
02:44PM 11 document.

02:44PM 12 And if we look at -- we have PX-252 --  
02:44PM 13 THE COURT: 267.

02:44PM 14 MR. WHITEHURST: -- on the screen. If  
02:44PM 15 we'll look at 267, it's the same situation, Your Honor.  
02:44PM 16 Mr. Tom again is the name listed there.

02:44PM 17 Now, the other two documents were  
02:44PM 18 e-mails, so the -- the authenticity argument would not  
02:44PM 19 apply to those like it did to these.

02:44PM 20 THE COURT: All right. Mr. Birnholz?

02:44PM 21 MR. BIRNHOLZ: So your -- Your Honor,  
02:44PM 22 thank you. The -- Mr. Tom in his deposition said that  
02:44PM 23 he couldn't -- he couldn't tell if this had been sent  
02:44PM 24 because it was unsigned. So he can talk about his  
02:44PM 25 practices, but this is a very important part of their

02:44PM 1 story and they don't have a signed copy of the  
02:44PM 2 document. They also don't have the attachments that  
02:44PM 3 went to this document.

02:44PM 4 We have no idea what document was  
02:44PM 5 attached to it. We don't know if it was sent. And so  
02:45PM 6 it is highly irregular to have a printout of a document  
02:45PM 7 with no attachments and no delivery confirmation, no  
02:45PM 8 fax information, no number of pages, nothing about it.  
02:45PM 9 And he, Mr. Tom, in his deposition admitted that he  
02:45PM 10 couldn't tell what was delivered and what was sent.

02:45PM 11 And so this is -- it would be highly  
02:45PM 12 prejudicial to admit this document and it has no proper  
02:45PM 13 foundation established and Mr. Tom shouldn't be able  
02:45PM 14 to -- to come in and say that, contrary to what he's  
02:45PM 15 already testified the letter of.

02:45PM 16 THE COURT: Well, Mr. Whitehurst, is he  
02:45PM 17 going to have an epiphany about something he didn't  
02:45PM 18 remember when he was deposed?

02:45PM 19 MR. WHITEHURST: Your Honor, I don't  
02:45PM 20 have the deposition transcript in front of me, but  
02:45PM 21 that's not my recollection of the deposition  
02:45PM 22 transcript. Mr. Tom's going to testify about this  
02:45PM 23 document here and that's a -- that's a question for  
02:45PM 24 cross-examination, goes to his credibility.

02:45PM 25 MR. BIRNHOLZ: Your -- Your Honor, the

02:46PM 1 contents of this -- the what was purportedly submitted  
02:46PM 2 to Mr. Yang is an essential part of the -- the --  
02:46PM 3 Motorola's theory in the case. This would become  
02:46PM 4 irrelevant entirely if -- pending the Court's ruling on  
02:46PM 5 summary judgment, so --

02:46PM 6 THE COURT: Well --

02:46PM 7 MR. BIRNHOLZ: -- this would fall with  
02:46PM 8 that part of the case as well.

02:46PM 9 THE COURT: Well, notwithstanding that  
02:46PM 10 the later summary judgment ruling might impact this.  
02:46PM 11 You know, I'm -- again, I'm hearing different stories  
02:46PM 12 about whether there's somebody who can authenticate  
02:46PM 13 these and somebody who can't. I guess we'll have to  
02:46PM 14 wait and see what the witness says on the witness  
02:46PM 15 stand. If they're not clearly and validly  
02:46PM 16 authenticated, I'm not going to admit them. I'll -- if  
02:46PM 17 they are, that's a different story.

02:46PM 18 But I'll -- I'll defer ruling on the  
02:46PM 19 admissibility of these until I can be presented with  
02:47PM 20 whatever testimony there is in the nature of foundation  
02:47PM 21 or predicate, since again, I'm hearing two different  
02:47PM 22 things about the facts. But I can tell Motorola  
02:47PM 23 without an unequivocal foundation and support, an  
02:47PM 24 unsigned letter is not likely to be admitted. You're  
02:47PM 25 going to have to have somebody that can stand behind

02:47PM 1 this without any recordation.

02:47PM 2 But I -- you know, I don't know what the  
02:47PM 3 answer to that is today, so I'm going to have to defer  
02:47PM 4 ruling on it until I hear it. Okay?

02:47PM 5 MR. WHITEHURST: Thank you, Your Honor.

02:47PM 6 MR. BIRNHOLZ: Your Honor, could I be  
02:47PM 7 clear that this exhibit will not be published to the  
02:47PM 8 Jury until Your Honor makes that ruling?

02:47PM 9 THE COURT: I can't tell you that, Mr.  
02:47PM 10 Birnholz, when an exhibit's offered into evidence, it's  
02:47PM 11 offered into evidence, but I'm going to tell the Jury  
02:47PM 12 if -- if an objection is sustained, then they're to  
02:47PM 13 disregard it. We're just going to have to offer this  
02:47PM 14 at the time this authenticating witness is available to  
02:48PM 15 testify, just like you would without a preadmission  
02:48PM 16 process.

02:48PM 17 MR. BIRNHOLZ: Thank you, Your Honor.

02:48PM 18 THE COURT: Okay.

02:48PM 19 MR. WHITEHURST: Thank you, Your Honor.

02:48PM 20 THE COURT: That will apply to all four  
02:48PM 21 of those instruments.

02:48PM 22 All right. Let's go to the next one,  
02:48PM 23 category 10.

02:48PM 24 MS. DUCCA: Your Honor, with respect to  
02:48PM 25 TiVo's category 10, Motorola and Time Warner Cable have



02:48PM 1 withdrawn the following exhibits: 97, 105, 128, 129,  
02:48PM 2 147, 154, 160, 164, 165, 166, 167, 202, 209, 210, 211,  
02:49PM 3 230, 248, 250, and 1690.

02:49PM 4 The remaining exhibits in this category  
02:49PM 5 are Exhibits 27; Exhibits 1682 to 1689; Exhibits 2628,  
02:49PM 6 2629, Exhibits 2656 to 2659; and Exhibit 1468.

02:49PM 7 And I believe that --

02:49PM 8 THE COURT: All right.

02:49PM 9 MS. DUCCA: -- TiVo is maintaining its  
02:49PM 10 objections. I'm sorry, Your Honor.

02:49PM 11 THE COURT: Let me hear from TiVo on  
02:49PM 12 these exhibits that are not withdrawn.

02:49PM 13 MR. WELLS: Yes, Your Honor. These have  
02:49PM 14 to do with Motorola patents that we talked -- oh,  
02:49PM 15 Maclain Wells, Your Honor, on behalf of TiVo.

02:49PM 16 These have to do with Motorola patents  
02:49PM 17 that we talked about earlier and I did want to correct  
02:49PM 18 one thing from my discussion earlier. There actually  
02:49PM 19 is a motion to strike as a portion of the Gray expert  
02:50PM 20 report where he just lists off Motorola patents in a  
02:50PM 21 sentence about what the patents are about. So you had  
02:50PM 22 asked that question; I answered you incorrectly, so I  
02:50PM 23 wanted to correct that.

02:50PM 24 These patents Counsel described them as  
02:50PM 25 Motorola patents that relate to its DVR set-top boxes

02:50PM 1 and those are the ones that they're keeping in and that  
02:50PM 2 raises the issue. If these are limited to DVR  
02:50PM 3 technology and TiVo is asserting its DVR patents  
02:50PM 4 then -- and their basis for irrelevance is willfulness,  
02:50PM 5 they need to show that the claims in these patents are  
02:50PM 6 so close to the claims of TiVo's DVR patents that  
02:50PM 7 Motorola would have a reasonable belief that it having  
02:50PM 8 its patents meant that it could not have infringed TiVo  
02:50PM 9 patents.

02:50PM 10 They have to be that close. There has to  
02:50PM 11 be facts and analysis to back that up. That's what --  
02:50PM 12 that's when it was alluded -- that's when evidence of  
02:50PM 13 willfulness of your own patents came in under the case  
02:51PM 14 law that they cited. In this case, we don't have any  
02:51PM 15 of that. So we're going to have them getting up saying  
02:51PM 16 here's our DVR patents and this is the basis for our --  
02:51PM 17 Motorola's belief that it did not infringe TiVo's  
02:51PM 18 patents.

02:51PM 19 And then TiVo's going to have to come  
02:51PM 20 back and we're going to get into an overcomplicated  
02:51PM 21 trial on each of these patents as to what -- what these  
02:51PM 22 patents claim, what the technology covers, comparing it  
02:51PM 23 to TiVo's patents and illustrating that there was no  
02:51PM 24 way that there was a reasonable person could say, hey,  
02:51PM 25 if I have a patent on security protocols and DVRs, I

02:51PM 1 don't do time warp, I don't do trick play, I don't do  
02:51PM 2 the stuff that's covered by TiVo's patents.

02:51PM 3 It's going to -- we're going to have a  
02:51PM 4 lot of sideshows. That's what's going to happen here.

02:51PM 5 THE COURT: Well, I'm not aware that  
02:51PM 6 preventing sideshows is a reasonable basis to object to  
02:51PM 7 something under the Rules of Evidence. I mean, I would  
02:52PM 8 prefer that all things being equal that it not happen,  
02:52PM 9 but --

02:52PM 10 MR. WELLS: If I may, Your Honor?

02:52PM 11 THE COURT: -- that's not a basis to tell  
02:52PM 12 me to keep it out of evidence.

02:52PM 13 MR. WELLS: Well, that's what raises the  
02:52PM 14 prejudice, Your Honor. What we're going to -- TiVo's  
02:52PM 15 going to end up wasting the -- a lot of resources and  
02:52PM 16 trial time going through to address these patents --

02:52PM 17 THE COURT: So you didn't --

02:52PM 18 MR. WELLS: -- that they had -- that they  
02:52PM 19 do not assert as prior -- I'm sorry, Your Honor, I  
02:52PM 20 didn't mean to interrupt you. Please --

02:52PM 21 THE COURT: That's okay. But I mean,  
02:52PM 22 just -- your argument is based on the premise that you  
02:52PM 23 just want me to trust you. You just want me to say  
02:52PM 24 what you're telling me is right and so I'll take it on  
02:52PM 25 face value that there's not a close enough nexus where

02:52PM 1 they could possibly be relevant for a willfulness  
02:52PM 2 question.

02:52PM 3 MR. WELLS: Well, Your Honor, they would  
02:52PM 4 have had to put forth some kind of evidence of that and  
02:52PM 5 their experts haven't addressed whether these patent  
02:52PM 6 claims are coextensive with the scope of TiVo's  
02:52PM 7 patents. If these patent claims have been, I would  
02:52PM 8 think that we would see this stuff as prior art to  
02:52PM 9 TiVo's patents. It would be part of their invalidity  
02:52PM 10 case. It's not.

02:52PM 11 THE COURT: All right. Let me hear from  
02:53PM 12 Motorola.

02:53PM 13 MR. WILSON: Good afternoon, Your Honor.  
02:53PM 14 Robert Wilson from Quinn, Emanuel.

02:53PM 15 So with respect, let's clarify what the  
02:53PM 16 issue is we're talking about here. We're talking about  
02:53PM 17 Motorola and its subjective intent and this is not  
02:53PM 18 going to create a sideshow. A party's independent  
02:53PM 19 development of its technology is a defense to a claim  
02:53PM 20 of willfulness. We're talking about Motorola's intent  
02:53PM 21 and understanding about whether or not it would have  
02:53PM 22 infringed TiVo's asserted patents.

02:53PM 23 And the response that we intend to put  
02:53PM 24 forward is our independent development of our own  
02:53PM 25 technology that we incorporated into our DVR products.

02:53PM 1 It's not going to get into a sideshow about what these  
02:53PM 2 claims say and you don't need expert testimony to talk  
02:54PM 3 about someone's subjective intent.

02:54PM 4           You will hear the testimony of Motorola's  
02:54PM 5 witnesses who will talk about their development, their  
02:54PM 6 process of their technology that relates to the patents  
02:54PM 7 that they have obtained and the technology that they  
02:54PM 8 put in their products. And the patents are important  
02:54PM 9 to show that not only did they develop their own  
02:54PM 10 technology, but the Patent Office acknowledged in  
02:54PM 11 multiple patents that the developments were innovative  
02:54PM 12 and that they merited the patents that these inventors  
02:54PM 13 obtained.

02:54PM 14           So again, we're talking about Motorola's  
02:54PM 15 intent here. It's not an expert dispute about what  
02:54PM 16 this patent encompasses and that patent encompasses.  
02:54PM 17 The patents that we have to -- to introduce into  
02:54PM 18 evidence go to the DVR technology that Motorola  
02:54PM 19 developed and -- and they relate to trick play  
02:54PM 20 functionalities and the types of -- of simultaneous  
02:55PM 21 video storage and recording that we're talking about in  
02:55PM 22 this case. And the inventors will testify about how  
02:55PM 23 they developed those technologies and they put them in  
02:55PM 24 their products.

02:55PM 25           So this is not going to create a sideshow

02:55PM 1 and as the Federal Circuit has held, independent  
02:55PM 2 development may be a defense to a claim that there was  
02:55PM 3 subjective intent to infringe someone else's patent.  
02:55PM 4 Did Motorola think it was stealing TiVo's patents or  
02:55PM 5 did Motorola think it was developing its own  
02:55PM 6 technology? Well, Your Honor, develop -- Motorola  
02:55PM 7 developed its own technology and that's what it put in  
02:55PM 8 its products.

02:55PM 9 THE COURT: All right.

02:55PM 10 MR. WELLS: May I, Your Honor?

02:55PM 11 THE COURT: Go ahead.

02:55PM 12 MR. WELLS: I have here a list of some of  
02:55PM 13 the titles of these patents. Domain Security; MPEG-4  
02:55PM 14 Compression; Controlling Security Modes; firm --  
02:55PM 15 Firmware Security; Smart Remote with built-in video  
02:55PM 16 screen. The -- these patents are not directed at  
02:55PM 17 TiVo's Time Warp and Trick Play functionality. They  
02:55PM 18 relate generally to DVRs. And Counsel's argument  
02:56PM 19 illustrated exactly the problem. He said: Their  
02:56PM 20 independent development of the DVR technology. Via's  
02:56PM 21 ancillary DVR aspects. Not TiVo's patented technology.

02:56PM 22 If they could show that they had  
02:56PM 23 independently developed TiVo's patented technology, the  
02:56PM 24 Time Warp patent and Trick Play, that would be a  
02:56PM 25 different story. It would be part of their invalidity

02:56PM 1 case. It would be an independent derivation.

02:56PM 2 That's not what's going on here. He's  
02:56PM 3 illustrating the example on his argument to the Court.  
02:56PM 4 He's going to make the same argument to the Jury that  
02:56PM 5 they independently developed the DVR technology when  
02:56PM 6 these patents don't show that. So what TiVo's going to  
02:56PM 7 have to do is go through and show that each of these  
02:56PM 8 patents is not TiVo's patented technology. We're going  
02:56PM 9 to have to go through and do a comparison of these  
02:56PM 10 patents to TiVo's claims and show all the differences  
02:56PM 11 and determine what the scope of these patents and these  
02:56PM 12 patent claims are.

02:56PM 13 It's going to be a huge burden.

02:57PM 14 MR. WILSON: Your Honor, if I may respond  
15 briefly?

16 THE COURT: All right. One more time.

17 MR. WILSON: Thank you.

18 THE COURT: Then we're going to move on.

19 MR. WILSON: Yes, Your Honor. With  
02:57PM 20 respect, Counsel did not identify some of the names of  
02:57PM 21 the patents such as Method And Apparatus For Providing  
02:57PM 22 VCR-like Trick Mode Functions For Viewing Distributed  
02:57PM 23 Video Data; Method And Apparatus For Encoding And  
02:57PM 24 Formatting Data Representing A Video Program To Provide  
02:57PM 25 Multiple Overlapping Presentations Of The Video

02:57PM 1 Program; and Adaptive Compression Of Digital Video Data  
02:57PM 2 Using Different Modes Such As PCM And DCPM.

02:57PM 3 Your Honor, again, this is not going to  
02:57PM 4 create an issue where because it was related to intent,  
02:57PM 5 it is not as -- as to -- it's not going to create an  
02:57PM 6 issue as to whether the scope of this claim is  
02:57PM 7 coextensive with the scope of this claim or not. This  
02:57PM 8 is about what Motorola thought at the time it was  
02:57PM 9 developing the technologies in its product.

02:57PM 10 And so these goes to their subjective  
02:57PM 11 intent, not to whether the experts are looking at this  
02:58PM 12 and saying, oh, this technology is exactly that or this  
02:58PM 13 technology is exactly that. What did Motorola do when  
02:58PM 14 it developed its products, what was it thinking when it  
02:58PM 15 was developing its products and what technology.

02:58PM 16 MR. WELLS: One point, Your Honor.

02:58PM 17 THE COURT: Final one.

02:58PM 18 MR. WELLS: The three patents that he  
02:58PM 19 just cited with the titles, if those really were  
02:58PM 20 coextensive with TiVo's patents, why aren't they in the  
02:58PM 21 invalidity side of this case? They're not. They cover  
02:58PM 22 different technologies.

02:58PM 23 THE COURT: All right. Consistent with  
02:58PM 24 my ruling on Motion In Limine No. 13, I'm going to  
02:58PM 25 overrule the objections to these exhibits that are not



02:58PM 1 withdrawn under objection category 10.

02:58PM 2 All right, Counsel, we're going to take a  
02:58PM 3 brief recess. Be back in a few minutes and we'll pick  
02:58PM 4 up where we left off. The Court stands in recess.

02:58PM 5 COURT SECURITY OFFICER: All rise.

02:58PM 6 (Recess.)

03:25PM 7 COURT SECURITY OFFICER: All rise.

03:25PM 8 THE COURT: Be seated, please. All  
03:25PM 9 right. Where were we? Are we to objection category  
03:25PM 10 11; is that correct?

03:25PM 11 MS. DUCCA: That is correct, Your Honor.  
03:25PM 12 For objection category 11, Motorola and Time Warner  
03:25PM 13 Cable have withdrawn both Plaintiffs' Exhibits 61 and  
03:26PM 14 1676. So objection category 11 should be moot.

03:26PM 15 MR. WERNER: Agreed.

03:26PM 16 THE COURT: All right. Good. Then let's  
03:26PM 17 go to 12.

03:26PM 18 MS. DUCCA: Objection category 12, we  
03:26PM 19 have also withdrawn Exhibit 1675 and 2669. So it's our  
03:26PM 20 understanding that objection category 12 is also moot.

03:26PM 21 THE COURT: Agreed?

03:26PM 22 MR. WERNER: Agreed.

03:26PM 23 THE COURT: All right. 13? You're on a  
03:26PM 24 roll, keep going.

03:26PM 25 MS. DUCCA: Unfortunately --

03:26PM 1 unfortunately it stops here. With objection category  
03:26PM 2 13, Motorola and Time Warner Cable have withdrawn  
03:26PM 3 Exhibits 64 and 66; however, we have not withdrawn  
03:26PM 4 Exhibits 1699, 2648 or 2650 and it's my understanding  
03:26PM 5 that those are still at issue.

03:26PM 6 THE COURT: All right. Then I'll hear  
03:26PM 7 from TiVo on those nonwithdrawn exhibits under category  
03:26PM 8 13.

03:26PM 9 MR. WERNER: Thank you, Your Honor. I  
03:27PM 10 believe 1699 is the PDR200 device.

03:27PM 11 THE COURT: I've already ruled on that.

03:27PM 12 MR. WERNER: That's correct, Your Honor.

03:27PM 13 THE COURT: 1699 is out. So I'll hear  
03:27PM 14 on 2648, 2650.

03:27PM 15 MR. WERNER: Thank you, Your Honor. On  
03:27PM 16 March 28th under the docket control order of -- 2013  
03:27PM 17 under the docket control order, the parties were  
03:27PM 18 obligated to exchange disclosures, pretrial  
03:27PM 19 disclosures, including the trial exhibit lists. The  
03:27PM 20 parties did serve lists on those days. PX-2648 and  
03:27PM 21 PX-2650 were not on Motorola, Time Warner's  
03:27PM 22 disclosures.

03:27PM 23 If Your Honor has reference to the  
03:27PM 24 parties' joint notice, Motorola and Time Warner Cable  
03:27PM 25 make reference to TX, TiVo's Trial Exhibit 2539. That

03:27PM 1 is an entry for TiVo products, two TiVo DVRs that were  
03:28PM 2 offered for inspection during the fact period.

03:28PM 3 Motorola and Time Warner Cable then  
03:28PM 4 responded after March 28th by putting two entries on  
03:28PM 5 their trial exhibit list, those entities being PX-2648  
03:28PM 6 and 2650, mirroring TiVo's but with respect to their  
03:28PM 7 own products; 2648 being Motorola products, 2650 being  
03:28PM 8 Time Warner Cable products. Now we're here with  
03:28PM 9 Motorola and Time Warner Cable offering a deal that  
03:28PM 10 they will drop these entries, which they did not  
03:28PM 11 initially disclose, if TiVo will drop its entry, which  
03:28PM 12 it did initially disclose.

03:28PM 13 TiVo offered these devices, the TiVo  
03:28PM 14 devices, corresponding to 2539, during discovery.  
03:28PM 15 Motorola and Time Warner Cable conducted an inspection.  
03:29PM 16 They were able to power the devices on, use the  
03:29PM 17 devices. The only restriction placed was we did not  
03:29PM 18 allow them to cut the devices open and take a look at  
03:29PM 19 the insides.

03:29PM 20 THE COURT: Well, let's talk about your  
03:29PM 21 devices when we get to your exhibits. Let's talk about  
03:29PM 22 their exhibits now and your objections to those.

03:29PM 23 MR. WERNER: Very well.

03:29PM 24 THE COURT: And basically that 2648 and  
03:29PM 25 2650 were never disclosed or produced.

03:29PM 1 MR. WERNER: Never offered for  
03:29PM 2 inspection. We have no idea what they are. We served  
03:29PM 3 request for inspection; nothing was ever offered.

03:29PM 4 THE COURT: All right. Let me have a  
03:29PM 5 response.

03:29PM 6 MR. CUNNINGHAM: Your Honor, Sean  
03:29PM 7 Cunningham.

03:29PM 8 It is correct that these two exhibits  
03:29PM 9 were added to the exhibit list as a result of TiVo's  
03:29PM 10 having sought to add certain products that were not  
03:30PM 11 offered for inspection or not offered for inspection in  
03:30PM 12 working form by TiVo. These two exhibits constitute  
03:30PM 13 off-the-shelf Motorola and Time Warner Cable DVR  
03:30PM 14 set-top boxes that would be offered for demonstration  
03:30PM 15 purposes at trial if and only if TiVo were permitted to  
03:30PM 16 offer its previously nonoperational products for  
03:30PM 17 demonstration purposes.

03:30PM 18 So I think it's bound up in our objection  
03:30PM 19 to those devices that that is if -- if those devices  
03:30PM 20 are not going to come in at trial and be used for  
03:30PM 21 demonstration purposes, we would withdraw these  
03:30PM 22 exhibits and not offer our own demonstration devices.

03:30PM 23 THE COURT: Well, I'm not concerned what  
03:30PM 24 deal you and TiVo had with each other. I'm concerned  
03:30PM 25 were these timely disclosed and were they produced for

03:30PM 1 inspection in operating form.

03:30PM 2 MR. CUNNINGHAM: To my knowledge, they  
03:30PM 3 were never offered for inspection, Your Honor.

03:30PM 4 THE COURT: Then the objection is  
03:30PM 5 sustained.

03:30PM 6 Category 15.

03:31PM 7 MS. DUCCA: Your Honor, with respect to  
03:31PM 8 category 15, we have a different situation upon  
03:31PM 9 investigation of TiVo's objections, we realize it was  
03:31PM 10 an inadvertent error that caused the wrong file to be  
03:31PM 11 served as Exhibit 1673. We have since corrected that  
03:31PM 12 error; therefore, Motorola and Time Warner Cable  
03:31PM 13 believe that this issue is moot. We have not heard an  
03:31PM 14 objection to the current version of PX-1673, which is  
03:31PM 15 the proper -- the proper document.

03:31PM 16 THE COURT: So the same number went on  
03:31PM 17 two different files; is that right?

03:31PM 18 MS. DUCCA: Well, what -- what happened  
03:31PM 19 was an e-mail that was not supposed to be this  
03:31PM 20 particular document got stamped with PX-1673. However,  
03:31PM 21 on the exhibit list, it was properly labeled as the  
03:31PM 22 National Academy of Television Arts and Sciences: The  
03:31PM 23 64th Annual Technology & Engineering Emmy Awards. The  
03:32PM 24 proper Bates numbers were also on the exhibit list and  
03:32PM 25 that's M-GI 1631189 to M-GI 1631219.

03:32PM 1 THE COURT: All right. I may be  
03:32PM 2 confused, Counsel. We just finished objection category  
03:32PM 3 13 where I sustained TiVo's objection to PX-2648 and  
03:32PM 4 2650.

03:32PM 5 MS. DUCCA: Yes, Your Honor.

03:32PM 6 THE COURT: The next item I have on my  
03:32PM 7 list is objection category 14 -- 15. Am I missing --

03:32PM 8 MR. WERNER: If I may --

03:32PM 9 THE COURT: -- 14?

03:32PM 10 MR. WERNER: 14 was resolved prior to the  
03:32PM 11 filing --

03:32PM 12 THE COURT: All right.

03:32PM 13 MR. WERNER: -- pursuant to the parties'  
03:32PM 14 meet and confer.

03:32PM 15 THE COURT: So 15 is where we are?

03:32PM 16 MR. WERNER: Correct.

03:32PM 17 MS. DUCCA: That is correct --

03:32PM 18 THE COURT: And --

03:32PM 19 MS. DUCCA: -- Your Honor.

03:32PM 20 THE COURT: -- PX-1673 is what you're  
03:32PM 21 talking about?

03:32PM 22 MS. DUCCA: That is correct, Your Honor.

03:32PM 23 THE COURT: All right. And so your  
03:32PM 24 position is Time Warner and Motorola produced the wrong  
03:32PM 25 or the -- they produced something that they didn't

03:32PM 1 intend to produce, they found it and produced what they  
03:33PM 2 did intend to produce?

03:33PM 3 MS. DUCCA: Well, both documents, both  
03:33PM 4 the original document that was stamped as PX-1673 and  
03:33PM 5 the, what I'll call, the real PX-1673 were all  
03:33PM 6 produced, they were just wrongly stamped. And when we  
03:33PM 7 served our exhibits on to TiVo, there was an  
03:33PM 8 inadvertent error that caused this other e-mail to be  
03:33PM 9 produced to TiVo as the exhibit.

03:33PM 10 When we learned about that through these  
03:33PM 11 exhibit objections, we quickly served the corrected  
03:33PM 12 PX-1673 and so to -- to our understanding, the  
03:33PM 13 objection is moot. We have not heard any other  
03:33PM 14 objection to PX-1673.

03:33PM 15 THE COURT: All right. Does TiVo have  
03:33PM 16 an objection based on what I've just been told?

03:33PM 17 MR. WERNER: Yes, Your Honor. Why don't  
03:33PM 18 the -- basically TiVo informed Motorola and Time Warner  
03:34PM 19 Cable about the discrepancy between the description  
03:34PM 20 which listed the title of the document, we'll call it  
03:34PM 21 the real 1673, relating to an Emmy award. TiVo advised  
03:34PM 22 Motorola and Time Warner Cable on at least one  
03:34PM 23 occasion; I believe on two occasions I noted this  
03:34PM 24 discrepancy between the description and the document.  
03:34PM 25 Multiple -- TiVo -- Motorola and Time Warner Cable

03:34PM 1 repeatedly served the same wrong copy of 1673.

03:34PM 2 I've asked Counsel to represent that that  
03:34PM 3 e-mail, which is an irrelevant and prejudicial e-mail  
03:34PM 4 between the -- Mr. Anthony Wood, formerly of ReplayTV,  
03:34PM 5 I've asked them to confirm that it is no where else on  
03:34PM 6 their list through some similar error. They're not  
03:35PM 7 able to do that.

03:35PM 8 I basically would like to reserve our  
03:35PM 9 right, should that e-mail somehow surface through this  
03:35PM 10 process. Our objections were lodged based on that  
03:35PM 11 document.

03:35PM 12 THE COURT: All right. Well, if we can  
03:35PM 13 get this straight, we don't have to wait until  
03:35PM 14 something is preserved until a later date. We've got  
03:35PM 15 the Anthony Wood e-mail and we've got the Emmy award  
03:35PM 16 e-mail. And which one should have been 1673?

03:35PM 17 MR. WERNER: The Emmy.

03:35PM 18 THE COURT: Okay. And the one that  
03:35PM 19 produced was the Anthony Wood e-mail?

03:35PM 20 MR. WERNER: That's correct, up until  
03:35PM 21 Friday the 31st it was the Wood e-mail.

03:35PM 22 THE COURT: Okay. And Friday you got  
03:35PM 23 the Emmy e-mail that should have been 1673?

03:35PM 24 MR. WERNER: The Emmy document was --  
03:35PM 25 was provided to us. I was unaware -- it was provided



03:35PM 1 in a large set of the entire exhibit. I was unaware it  
03:35PM 2 was there. In any event, we now have this document and  
03:35PM 3 we do object to this document on relevance and hearsay  
03:35PM 4 grounds.

03:36PM 5 Josh, if you could put up 1673 and a PDF  
03:36PM 6 page 6?

03:36PM 7 It's not clear what this document is  
03:36PM 8 being offered for, but we can take a guess. PDF page  
03:36PM 9 6, please. This is it.

03:36PM 10 So what we have is apparently Time Warner  
03:36PM 11 Cable got an award for pioneering development a  
03:36PM 12 multi-room DVR. Not clear how this is relevant.  
03:36PM 13 Perhaps they got the award because they infringed  
03:36PM 14 TiVo's patent. In any event, if you read -- if we can  
03:36PM 15 zoom in on the first paragraph under pioneering  
03:36PM 16 development? Correct. Good.

03:36PM 17 We see that this has to do with Time  
03:36PM 18 Warner Cable Cisco's -- Cisco products. Not clear how  
03:36PM 19 this is relevant to this case.

03:36PM 20 THE COURT: Okay. So your objection is  
03:37PM 21 on relevance grounds. Anything else?

03:37PM 22 MR. WERNER: Hearsay being offered to  
03:37PM 23 prove the -- to basically praise Time Warner Cable's  
03:37PM 24 products that Time Warner's Cable -- Cable's products  
03:37PM 25 are worthy of praise.

03:37PM 1 THE COURT: All right. Let me hear a  
03:37PM 2 response on those two substantive objections.

03:37PM 3 MS. DUCCA: Your Honor, this is  
03:37PM 4 basically a handout at the 64th Annual Technology &  
03:37PM 5 Engineering Emmy Awards and if we can turn to page 11  
03:37PM 6 of the document?

03:37PM 7 MR. WERNER: Which exhibit?

03:37PM 8 MS. DUCCA: Of Exhibit 1673. And as you  
03:37PM 9 can see here, this document explains why the Academy  
03:38PM 10 gave an Emmy award to Grass Valley. This is neither  
03:38PM 11 irrelevant nor is it hearsay. We're not offering it  
03:38PM 12 for the truth of the matter asserted. We're not  
03:38PM 13 offering it to -- to say that Grass Valley won the Emmy  
03:38PM 14 award. Niall McDonnell will actually be here to  
03:38PM 15 testify that he won an Emmy award for his work on Grass  
03:38PM 16 Valley.

03:38PM 17 However, what this shows is why Grass  
03:38PM 18 Valley won that award. So if it is deemed to be  
03:38PM 19 hearsay, it's actually a present sense of the Academy  
03:38PM 20 as to why they were giving the -- the award. So it's  
03:38PM 21 neither hearsay nor is it irrelevant.

03:38PM 22 THE COURT: So in effect, you're  
03:38PM 23 interested in page 12 and -- page 11 and I guess the  
03:38PM 24 continuation of this article on page 12?

03:38PM 25 MS. DUCCA: That is your -- that is

03:38PM 1 correct, Your Honor, as well as --

03:38PM 2 THE COURT: You're not interested in the  
03:38PM 3 rest of it?

03:38PM 4 MS. DUCCA: -- the -- as well as the  
03:38PM 5 cover, Your Honor.

03:38PM 6 THE COURT: Okay. You're not interested  
03:38PM 7 in page 6, then?

03:38PM 8 MS. DUCCA: We are not interested in page  
03:39PM 9 6.

03:39PM 10 THE COURT: All right. Well, then I'll  
03:39PM 11 sustain TiVo's objection to page 6 and I'll see if they  
03:39PM 12 have an objection to page 11 and 12.

03:39PM 13 MR. WERNER: Much obliged, Your Honor.  
03:39PM 14 There's no explanation in their response as to why this  
03:39PM 15 document was relevant. I think if we take a quick look  
03:39PM 16 at this document, pioneering development --

03:39PM 17 COURT CLERK: Well, I'm sorry --

03:39PM 18 MR. WERNER: -- there you go, pioneering  
03:39PM 19 development of event driven control room automation  
03:39PM 20 systems for production of television shows in which  
03:39PM 21 full control or robotic cameras, I don't know is there  
03:39PM 22 -- I don't see any reference to PDR, the asserted prior  
03:39PM 23 request. In any event -- in any event, Your Honor, we  
03:39PM 24 have an objection, objection 22 directed to similar  
03:39PM 25 documents that were recently produced and added to

03:39PM 1 Motorola and Time Warner Cable's trial exhibit list  
03:39PM 2 that we can take up now or --

03:39PM 3 THE COURT: No, we'll take them up  
03:40PM 4 later. We're going to have to do this in order and  
03:40PM 5 it's a little late to be explaining, but you know,  
03:40PM 6 putting an objection to the same instrument in five or  
03:40PM 7 six different categories looks like we're trying to get  
03:40PM 8 five or six bites of the same apple.

03:40PM 9 The objections as to exhibits need to be  
03:40PM 10 focused by exhibit, not by type of objection. But  
03:40PM 11 nonetheless, let's look at page 12 of this. Let's see  
03:40PM 12 what's on the next page.

03:40PM 13 All right. Motorola, tell me again the  
03:40PM 14 relevance here.

03:40PM 15 MS. DUCCA: As you know from Mr.  
03:40PM 16 Traupman's argument earlier, we are offering the Grass  
03:41PM 17 Valley devices for an -- in part as an obviousness  
03:41PM 18 argument. One thing that TiVo will do is they will  
03:41PM 19 make secondary considerations arguments. As part of  
03:41PM 20 their secondary considerations, they're arguing that  
03:41PM 21 TiVo created the first commercially successful DVR.  
03:41PM 22 They also will make arguments such as the fact that  
03:41PM 23 there was long felt need when TiVo's DVR was released.

03:41PM 24 This shows that the Grass Valley device,  
03:41PM 25 which is prior art to the TiVo DVR, was also

03:41PM 1 successful, was also recognized, which shows that there  
03:41PM 2 was a -- there was a specific reason that it was given  
03:41PM 3 an Emmy award. So for that reason, it's relevant.

03:41PM 4 TiVo is also arguing that TiVo was, in  
03:41PM 5 general, this innovative company that came up with the  
03:41PM 6 DVR first; that everybody recognized TiVo. There are  
03:41PM 7 hundreds upon hundreds of documents on TiVo's exhibit  
03:41PM 8 list that just tout the innovation that TiVo has. This  
03:42PM 9 is going to show that there were -- there were  
03:42PM 10 innovators that came before TiVo. They weren't first.  
03:42PM 11 So it's relevant to rebut both of those items.

03:42PM 12 THE COURT: All right. Anything further  
03:42PM 13 from TiVo?

03:42PM 14 MR. WERNER: Please, Your Honor. My  
03:42PM 15 apologies for the -- the confusion here. We -- we  
03:42PM 16 attempted by -- to categorize our objections to the  
03:42PM 17 extent that they applied to multiple exhibits to  
03:42PM 18 streamline the process so that we were talking about  
03:42PM 19 one objection about one kind of document at a --  
03:42PM 20 several kinds of documents at a time. We were not  
03:42PM 21 aware when we lodged our objection that this was the  
03:42PM 22 real 1673 exhibit --

03:42PM 23 THE COURT: It's all right. We're beyond  
03:42PM 24 all that right now.

03:42PM 25 MR. WERNER: So we have similar

03:42PM 1 objections with respect to other documents that  
03:42PM 2 grant -- that -- that reflect that Grass Valley  
03:42PM 3 allegedly won certain awards. Our --

03:42PM 4 (Cell phone rings.)

03:42PM 5 MR. WERNER: -- my arguments may apply  
03:42PM 6 later and the bottom line here is that I was not aware  
03:43PM 7 that Ms. Ducca represented TiVo and -- but all of the  
03:43PM 8 representations she was making about what we were  
03:43PM 9 arguing to correct Ms. Ducca, we -- what TiVo invented  
03:43PM 10 the first --

03:43PM 11 THE COURT: Let me stop you a minute.  
03:43PM 12 Did we have a cell phone go off?

03:43PM 13 MS. DOAN: Yes, Your Honor, it was mine.  
03:43PM 14 I'm terribly sorry. I thought I'd turned it back off  
03:43PM 15 on a break.

03:43PM 16 THE COURT: All right. Let me just  
03:43PM 17 remind everybody. The Jury is not going to have a cell  
03:43PM 18 phone. If I hear a cell phone go off during the trial,  
03:43PM 19 I'm going to confiscate it.

03:43PM 20 MS. DOAN: It won't happen again.

03:43PM 21 THE COURT: Well, that's all right, Ms.  
03:43PM 22 Doan. And this not -- this is not the same  
03:43PM 23 circumstance. It's not as egregious without the Jury  
03:43PM 24 here, but nonetheless, I just want to put everybody on  
03:43PM 25 notice, that's -- that's your staff, that's your

03:43PM 1 paralegals, if it -- if it interrupts the proceeding  
03:43PM 2 once we start the trial, it will be confiscated.

03:43PM 3 All right. Go ahead, Counsel.

03:43PM 4 MR. WERNER: Thank you, Your Honor.

03:43PM 5 What TiVo invented was the first commercially viable  
03:44PM 6 consumer DVR. If we could go back to page 11. TiVo  
03:44PM 7 does not assert that it invited -- invented the first  
03:44PM 8 commercially viable event driven control room  
03:44PM 9 automation system for production of live television,  
03:44PM 10 etcetera.

03:44PM 11 THE COURT: Now, how is my court reporter  
03:44PM 12 supposed to get that down?

03:44PM 13 MR. WERNER: My apologies. I'm trying to  
03:44PM 14 not take up so much time. I feel --

03:44PM 15 THE COURT: Okay.

03:44PM 16 MR. WERNER: -- that I'm being  
03:44PM 17 long-winded. What is described here, this control room  
03:44PM 18 automation, this is not a consumer DVR, this is a point  
03:44PM 19 that will certainly be drawn out with the Jury. But  
03:44PM 20 what's happening here is that Motorola and TWC want to  
03:44PM 21 mislead the Jury to believe that because Grass Valley  
03:44PM 22 won an award, it's a better candidate for prior art.

03:44PM 23 THE COURT: Well --

03:44PM 24 MR. WERNER: It has --

03:44PM 25 THE COURT: -- I've -- I've heard enough.

03:44PM 1 I think this is -- I think this is clearly hearsay and  
03:44PM 2 I don't find that it falls within any of the  
03:45PM 3 exceptions. I'm going to sustain the objection to  
03:45PM 4 1673, the real 1673.

03:45PM 5 And let's go on to the next category,  
03:45PM 6 which is 16.

03:45PM 7 MS. DUCCA: Your Honor, a little bit  
03:45PM 8 better news with objection 16. Motorola and Time  
03:45PM 9 Warner Cable have withdrawn all of the exhibits that  
03:45PM 10 were subject to exhibit -- objection 16. So it's our  
03:45PM 11 understanding that this objection category is moot.

03:45PM 12 Would you like me to read the exhibits  
03:45PM 13 into the record?

03:45PM 14 THE COURT: Let me ask TiVo to confirm  
03:45PM 15 that's correct.

03:45PM 16 MR. WERNER: I'm sorry?

03:45PM 17 THE COURT: Is that correct, Counsel?

03:45PM 18 MR. WERNER: That's correct, they've all  
03:45PM 19 been withdrawn. Yes, Your Honor.

03:45PM 20 THE COURT: All right. Then for the  
03:45PM 21 record, Counsel, just read the numbers, get them into  
03:45PM 22 the record as withdrawn.

03:45PM 23 MS. DUCCA: Okay. Exhibits 24, 30, 31,  
03:45PM 24 32, 33, 825, 829, 1010, 1409, 1452, 1453, 1458, 1459,  
03:46PM 25 1679, 1691, 1822, and 2529.



03:46PM 1 THE COURT: All right. Those are all PX  
03:46PM 2 and then the appropriate numbers.

03:46PM 3 MS. DUCCA: That is correct, Your Honor.

03:46PM 4 THE COURT: Good. All right. Those are  
03:46PM 5 noted as being withdrawn.

03:46PM 6 We'll go on to category 17. What's the  
03:46PM 7 status on that?

03:46PM 8 MS. DUCCA: With respect to TiVo's  
03:46PM 9 objection 17, Motorola and Time Warner Cable have  
03:46PM 10 withdrawn Plaintiffs' Exhibits 266, 272, 275, 276, 277,  
03:46PM 11 279, 286, 287, 289, 295, 296, 297, 298, 299, 300, and  
03:47PM 12 Exhibit 692.

03:47PM 13 Motorola and Time Warner Cable have not  
03:47PM 14 withdrawn Exhibits 252, 257, 260, 265, 267, 270, 273,  
03:47PM 15 282, 283, 284, 290, 291, 294, 1672, 1739, 1927, 1928,  
03:47PM 16 2625, and 2653.

03:47PM 17 THE COURT: All right. Then let me hear  
03:47PM 18 from TiVo on their remaining objections to the  
03:48PM 19 nonwithdrawn exhibits in this category.

03:48PM 20 MR. BIRNHOLZ: Thank you, Your Honor.  
03:48PM 21 Richard Birnholz for TiVo.

03:48PM 22 The documents that are subject to this  
03:48PM 23 objection, they're -- they're largely in two  
03:48PM 24 categories; one is just 2653, which is the code that we  
03:48PM 25 were talking about earlier, which I believe Your Honor

03:48PM 1 was interested in discussing that in the context of the  
03:48PM 2 foundation objection. And so this is the  
03:48PM 3 nonoperational, incomplete, partial code and putting  
03:48PM 4 aside any issues about its significance under 102(g)  
03:48PM 5 for abandonment or whatever, talking about just  
03:48PM 6 foundation and authentication given that we have an  
03:48PM 7 incomplete nonoperational code, there's no  
03:48PM 8 authentication that it worked in a way that makes it  
03:48PM 9 relevant prior art or that it worked in any way. And  
03:48PM 10 so it's like putting source code in front of the Jury  
03:48PM 11 without a basis that it's relevant. So we'd object to  
03:49PM 12 2653 on that basis.

03:49PM 13 The remaining exhibits, they bear  
03:49PM 14 Motorola production numbers in the case, but it is not  
03:49PM 15 clear where they came from. We think they were printed  
03:49PM 16 off of a computer that may have remained in the custody  
03:49PM 17 of one of the former iMedia employees in his personal  
03:49PM 18 capacity. And so these are just printouts off of a  
03:49PM 19 computer and that's why we have a whole bunch of  
03:49PM 20 unsigned documents that we don't know what they are.

03:49PM 21 And so they're not from iMedia. We don't  
03:49PM 22 know where they came from and so there's no basis to  
03:49PM 23 say that these were business records of iMedia when  
03:49PM 24 they're not ever produced to us from iMedia's files or  
03:49PM 25 in the manner in which they were maintained in the

03:49PM 1 ordinary course of business and that showing, I don't  
03:49PM 2 think, can ever be made. They're --

03:49PM 3 THE COURT: So far as -- so far as you  
03:49PM 4 know, does Motorola have a sponsoring witness for these  
03:50PM 5 documents?

03:50PM 6 MR. BIRNHOLZ: I -- from as far as I  
03:50PM 7 know, I believe, based on what I've heard today, is  
03:50PM 8 that they intend to try to have Mr. Adam Tom or one of  
03:50PM 9 the iMedia folks testify about these documents. But  
03:50PM 10 given that they're literally printouts of files from a  
03:50PM 11 computer decades later that we have no basis to know  
03:50PM 12 whether it was a draft, whether it was in a file,  
03:50PM 13 whether it was -- we don't know anything about it. And  
03:50PM 14 so we object on the grounds that they're not  
03:50PM 15 sufficiently authenticated, that they're hearsay and  
03:50PM 16 not admissible.

03:50PM 17 THE COURT: All right. Response?

03:50PM 18 MR. WHITEHURST: Good afternoon, Your  
03:50PM 19 Honor. Alan Whitehurst. I apologize, but we are  
03:50PM 20 addressing documents that we already addressed earlier.  
03:50PM 21 Most of -- a lot of these exhibits were the same  
03:50PM 22 exhibits that we looked at earlier. These are, for  
03:51PM 23 examples, letters from Mr. Tom to Mr. Yang.

03:51PM 24 And if I could put up a deposition  
03:51PM 25 transcript from the deposition of Mr. Tom.

03:51PM 1 You asked me earlier today whether Mr.  
03:51PM 2 Tom was going to have an epiphany. I was able to check  
03:51PM 3 the transcript, Mr. Tom testimony -- testified at  
03:51PM 4 length about PX-252, the first document.

03:51PM 5 And if we could put the transcript up,  
03:51PM 6 please.

03:51PM 7 And you'll see that he was handed during  
03:51PM 8 his deposition PX-252. This was the document that Mr.  
03:51PM 9 Birnholz addressed earlier today. Said that Mr. Tom  
03:51PM 10 never remembered seeing this document. If you look at  
03:51PM 11 the deposition here, he testified at length about  
03:51PM 12 PX-252. Mr. Birnholz objected numerous times, even  
03:51PM 13 moved to strike Mr. Tom's testimony.

03:51PM 14 And the same is true for most of the  
03:51PM 15 other exhibits that you see here, listed here on  
03:52PM 16 objective seven -- objection 17. These were documents  
03:52PM 17 that were introduced during the deposition of Mr. Tom,  
03:52PM 18 Mr. -- Dr. Krause, Mr. Shen, and Dr. Heller, the  
03:52PM 19 inventor of -- of the iMedia patents and that worked at  
03:52PM 20 iMedia. So we do have a sponsoring witness for all of  
03:52PM 21 these documents and they will be testifying to the  
03:52PM 22 extent possible, assuming they're available for trial,  
03:52PM 23 to authenticate each and every one of these documents.

03:52PM 24 Now, we have a very different view of the  
03:52PM 25 source code, 2653. Mr. Krause testified during his

03:52PM 1 deposition about a demonstration. I'll explain how the  
03:52PM 2 source code in question was used in this demonstration.

03:52PM 3 Also, Mr. Birnholz said that he had no  
03:52PM 4 idea where these documents came from. Mr. Shen  
03:53PM 5 testified at length during his deposition that these  
03:53PM 6 documents were found on backup tapes from iMedia.

03:53PM 7 THE COURT: All right. Well, with  
03:53PM 8 regard to the nonwithdrawn exhibits in this category  
03:53PM 9 except 2653, I'm going to defer any ruling until I hear  
03:53PM 10 a foundation laid at trial and I'll take any foundation  
03:53PM 11 or hearsay objections up at that time. I'm not  
03:53PM 12 comfortable looking at a flash on a screen of a  
03:53PM 13 deposition I didn't know anything about and saying yes,  
03:53PM 14 that means there's a foundation or no, there's not. So  
03:53PM 15 you're going to have to lay it out at the time you  
03:53PM 16 offer them and offer them during the trial and I'll  
03:53PM 17 take up the objection at that time.

03:53PM 18 MR. WHITEHURST: Yes, and Your Honor,  
03:53PM 19 there is one other issue I'd like to flag for -- for  
03:53PM 20 the Court. We are trying to streamline our  
03:53PM 21 presentation at trial. There are four inventors of the  
03:54PM 22 '714 patent. When we -- if possible, we would like to  
03:54PM 23 avoid having to put all four of these inventors on the  
03:54PM 24 stand.

03:54PM 25 As I mentioned before, Mr. Shen testified

03:54PM 1 during his deposition that these documents came from  
03:54PM 2 the back of archives that he was responsible for  
03:54PM 3 keeping. We would hope that if Mr. Krause -- excuse  
03:54PM 4 me, Dr. Krause, Dr. Tom, and the other individuals can  
03:54PM 5 testify as to these documents, that we wouldn't also be  
03:54PM 6 required to fly in Mr. Shen all the way from California  
03:54PM 7 to, in essence, authenticate a second time documents  
03:54PM 8 that the other inventors have already testified to.

03:54PM 9 THE COURT: Why would they need to be  
03:54PM 10 authenticated more than once?

03:54PM 11 MR. WHITEHURST: That's our point exactly  
03:54PM 12 and that's something that, if possible, we'd like to  
03:54PM 13 resolve during today's hearing. To the extent Dr.  
03:55PM 14 Krause, Dr. Tom, the other inventors have firsthand  
03:55PM 15 knowledge, we would hope that we would not have to also  
03:55PM 16 put on the stand Mr. Shen to testify how these  
03:55PM 17 documents came from the back of archives if the other  
03:55PM 18 individuals have already authenticated and testified as  
03:55PM 19 to these documents. It would -- it would help us  
03:55PM 20 eliminate an entire witness and to help streamline the  
03:55PM 21 case.

03:55PM 22 THE COURT: Well, have you had a  
03:55PM 23 discussion with opposing Counsel about that?

03:55PM 24 MR. WHITEHURST: We can certainly meet  
03:55PM 25 and confer with them on this point.

03:55PM 1 THE COURT: Well, talk with each other.  
03:55PM 2 I'm going to be honest, I'm a little confused why you  
03:55PM 3 think there's going to need to be multiple  
03:55PM 4 authentications of the same documents. Once a document  
03:55PM 5 is authenticated and admitted into evidence, it's in --  
03:55PM 6 it's in evidence.

03:55PM 7 But if you think you can streamline  
03:55PM 8 things now, fine. But I'm not -- I'm not going to tell  
03:56PM 9 you from the bench today, yes, you can do that or no  
03:56PM 10 you can't. Discuss it with the other side and then let  
03:56PM 11 me know where you stand.

03:56PM 12 MR. WHITEHURST: Thank you, Your Honor.

03:56PM 13 MR. BIRNHOLZ: And where things stand  
03:56PM 14 apart from that is that they need to lay the foundation  
03:56PM 15 and -- and prove up the --

03:56PM 16 THE COURT: Yes.

03:56PM 17 MR. BIRNHOLZ: -- admissibility? Thank  
03:56PM 18 you, Your Honor.

03:56PM 19 MR. WHITEHURST: For the -- the one  
03:56PM 20 source code, correct?

03:56PM 21 MR. BIRNHOLZ: No.

03:56PM 22 THE COURT: No. My ruling is you're  
03:56PM 23 going to have to lay the foundation for every one of  
03:56PM 24 these.

03:56PM 25 MR. WHITEHURST: Thank -- thank you, Your

03:56PM 1 Honor.

03:56PM 2 THE COURT: All right. Does that bring  
03:56PM 3 us to category 18?

03:56PM 4 MS. DUCCA: Yes, it does, Your Honor.  
03:56PM 5 With respect to category 18, Motorola and Time Warner  
03:56PM 6 Cable have withdrawn Exhibits PX-971 and Exhibit 1030  
03:56PM 7 and therefore I believe that this one is moot.

8 MR. BIRNHOLZ: That's correct, Your  
9 Honor.

10 THE COURT: All right. Let's go --

11 MS. DUCCA: With respect to objection 19,  
12 I believe we have an agreement.

03:57PM 13 MR. BIRNHOLZ: We -- TiVo withdraws  
03:57PM 14 objection 19.

03:57PM 15 THE COURT: All right. The objection to  
03:57PM 16 category 19 is withdrawn and therefore the exhibit at  
03:57PM 17 issue, PX-294 is deemed preadmitted.

03:57PM 18 MS. DUCCA: Thank you, Your Honor.

03:57PM 19 THE COURT: That brings us to category or  
03:57PM 20 objection 20.

03:57PM 21 MR. BIRNHOLZ: My apologies for the  
03:57PM 22 interruption, but I have one question about Exhibit  
03:57PM 23 2653, Your Honor, which was the source code exhibit.  
03:57PM 24 I -- I heard Your Honor say that the foundation needed  
03:57PM 25 to be laid, but before Your Honor issued the -- the



03:57PM 1 ruling, I -- it sounded as if you had a different  
03:57PM 2 ruling for the source code and I wanted to follow up on  
03:57PM 3 whether that was the case.

03:57PM 4 THE COURT: No, Counsel, you had raised  
03:57PM 5 an objection as to relevance and incompleteness. Then  
03:57PM 6 we got into a discussion of foundation and hearsay.  
03:58PM 7 Obviously, if -- if Motorola can't lay a foundation  
03:58PM 8 adequate to support admission, we don't get to the  
03:58PM 9 issue of relevance and incompleteness.

03:58PM 10 So I've deferred ruling on all of these  
03:58PM 11 until we take up the foundation issue. If they can  
03:58PM 12 produce a witness that can lay a proper foundation for  
03:58PM 13 2653, since it is otherwise admission -- admitted, then  
03:58PM 14 you can argue your relevance objection at that point.

03:58PM 15 MR. BIRNHOLZ: Thank you --

03:58PM 16 THE COURT: All right?

03:58PM 17 MR. BIRNHOLZ: -- for clearing that up.  
03:58PM 18 I appreciate it.

03:58PM 19 THE COURT: Now, back to -- okay.  
03:58PM 20 PX-294 is preadmitted. That brings us to category 20.

03:58PM 21 MS. DUCCA: For category 20, Motorola  
03:58PM 22 and Time Warner Cable have withdrawn PX-37, PX-38, 39,  
03:58PM 23 40, 41, 42, 974, 1960, 1961, 19 -- 1962, 1967, 1968,  
03:59PM 24 1970, 1971, and 2654.

03:59PM 25 That leaves Exhibits 43, 70 -- 764, 855,

03:59PM 1 857, 973, 1673, and Exhibit 1707. It's my  
03:59PM 2 understanding that those objections are still pending.

03:59PM 3 MR. WERNER: Your Honor, 1673 was  
03:59PM 4 subject to your ruling of several minutes ago.

03:59PM 5 THE COURT: Then it should be disposed  
03:59PM 6 off.

03:59PM 7 All right. What's TiVo's position with  
03:59PM 8 regard to the nonwithdrawn exhibits under this  
03:59PM 9 category?

03:59PM 10 MR. WERNER: We have a situation here,  
03:59PM 11 Your Honor, that is very similar to the situation with  
03:59PM 12 the iMedia documents that Mr. Birnholz just finished  
04:00PM 13 discussing with you, except here we have some  
04:00PM 14 problem -- very -- very similar and to an extent more  
04:00PM 15 so.

04:00PM 16 The documents that are subject to this  
04:00PM 17 objection have been held out as ReplayTV documents.  
04:00PM 18 There is the -- the company that was ReplayTV on its  
04:00PM 19 way to bankruptcy was acquired by a company called  
04:00PM 20 SONICblue, which was eventually acquired by DIRECTV.  
04:00PM 21 DIRECTV is the successor in interest to the company  
04:00PM 22 that was ReplayTV.

04:00PM 23 If we could put, Joshua, F-7?

04:00PM 24 DIRECTV has produced documents in  
04:00PM 25 response to subpoenas in prior cases, not in this case,

04:00PM 1 but in the AT&T case, that are ReplayTV documents, the  
04:01PM 2 documents that DIRECTV -- that are in the possession,  
04:01PM 3 custody, and control of DIRECTV that are ReplayTV  
04:01PM 4 documents. These ReplayTV documents, the documents  
04:01PM 5 subject to objection 20, were not produced by DIRECTV.

04:01PM 6 Here is an e-mail, and Counsel for  
04:01PM 7 Motorola, at the time only DNL Piper was in the case,  
04:01PM 8 was copied on this e-mail. And through the process of  
04:01PM 9 seeking consent to produce these documents that were  
04:01PM 10 subject to other protective orders in this case, these  
04:01PM 11 ReplayTV documents, the documents subject to objection  
04:01PM 12 20, RPTV and RPTV SC documents, came up in the  
04:01PM 13 conversation with DIRECTV with respect to the DIRECTV  
04:01PM 14 -- the documents that DIRECTV produced as the successor  
04:02PM 15 in interest to ReplayTV.

04:02PM 16 It's not clear where these RPTV and RPTV  
04:02PM 17 SC documents came from. They appeared in the AT&T  
04:02PM 18 case; some of them produced in response to a subpoena  
04:02PM 19 to Mr. Anthony Wood, formerly of ReplayTV; some of them  
04:02PM 20 produced by Microsoft. And our consent requests always  
04:02PM 21 go back to Microsoft on that score.

04:02PM 22 It appears that those -- the two  
04:02PM 23 individuals that -- at least Mr. Wood and it's been  
04:02PM 24 suggested that Mr. Shanson, another former ReplayTV  
04:02PM 25 employee, took these documents with them when ReplayTV

04:02PM 1 went under. In any event, they did not continue on and  
04:02PM 2 remain in the possession of the series of companies and  
04:02PM 3 are not currently in the possession of DIRECTV, at  
04:02PM 4 least DIRECTV is not -- we -- we're not sure -- we're  
04:03PM 5 not -- and we aren't entirely sure which documents  
04:03PM 6 these are. Subpoenas directed to DIRECTV have not  
04:03PM 7 resulted in the production of any of these documents.

04:03PM 8 So we have a serious question about the  
04:03PM 9 authenticity of these documents. Foundational  
04:03PM 10 predicate, where do they come from? What are they?  
04:03PM 11 Were they modified?

04:03PM 12 There's also a lot of animosity between  
04:03PM 13 TiVo and ReplayTV and Mr. Wood, perhaps they were  
04:03PM 14 modified before being produced. In any event, the  
04:03PM 15 necessary foundational predicate to establish these  
04:03PM 16 documents as admissible and not hearsay have not been  
04:03PM 17 established and the documents should not be  
04:03PM 18 preadmitted.

04:03PM 19 THE COURT: So you're saying they're not  
04:03PM 20 business records of DIRECTV because they're no longer  
04:03PM 21 in their care, custody or control?

04:03PM 22 MR. WERNER: That is correct. And  
04:03PM 23 because they're not in the possession, custody, and  
04:03PM 24 control of DIRECTV, they're not in possession, custody,  
04:03PM 25 and control of ReplayTV because DIRECTV is a successor

04:03PM 1 in interest. They came from someplace else. Where,  
04:03PM 2 not really sure.

04:03PM 3 THE COURT: Is there a sponsoring  
04:04PM 4 witness who will step up and say these are my  
04:04PM 5 documents, this is where they came from and this is how  
04:04PM 6 long I've had them? This is where I've kept them.  
04:04PM 7 This is where they were -- when they were generated.

04:04PM 8 MR. WERNER: Not that we're -- certainly  
04:04PM 9 not any witness that we intend to call in our  
04:04PM 10 affirmative case.

04:04PM 11 THE COURT: Motorola, do you have a  
04:04PM 12 sponsoring witness?

04:04PM 13 MR. TRAUPMAN: Matt Traupman on behalf of  
04:04PM 14 Motorola, Your Honor.

04:04PM 15 Yes, we do. We have two sponsoring  
04:04PM 16 witnesses who are going to testify via deposition.  
04:04PM 17 They are Mr. Anthony Wood, who is the founder of  
04:04PM 18 ReplayTV, and Mr. Spencer Shanson, who he's  
04:04PM 19 self-described as employee number three of Replay,  
04:04PM 20 essentially the first software engineer at -- at  
04:04PM 21 ReplayTV and --

04:04PM 22 THE COURT: They're going to offer these  
04:04PM 23 as business records of ReplayTV?

04:04PM 24 MR. TRAUPMAN: Yes, Your Honor. In fact,  
04:04PM 25 we submitted the designated deposition testimony this

04:04PM 1 morning.

04:04PM 2 THE COURT: How do those -- how do those  
04:04PM 3 gentlemen qualify as a custodian?

04:05PM 4 MR. TRAUPMAN: Well, so Mr. Shanson  
04:05PM 5 for -- for -- so just take an example, PX-855 is a  
04:05PM 6 software specification, a ReplayTV software  
04:05PM 7 specification. Mr. Shanson said I wrote this myself.  
04:05PM 8 I recognize it. This is what I did. This is my work.  
04:05PM 9 I created this as my first -- essentially my first  
04:05PM 10 assignment at ReplayTV.

04:05PM 11 THE COURT: Well --

04:05PM 12 MR. TRAUPMAN: And so --

04:05PM 13 THE COURT: -- if you're offering it as a  
04:05PM 14 business record of DIRECTV or DIRECTV as successor in  
04:05PM 15 interest to ReplayTV, then you need a custodian of  
04:05PM 16 those records, not an author if you're going to -- if  
04:05PM 17 you're going to comply with the business records  
04:05PM 18 exception. Custodian doesn't need to know what they  
04:05PM 19 say or what they mean. The custodian needs to know  
04:05PM 20 they've been in our care and custody and control and  
04:05PM 21 they were made at or about the time of the events  
04:05PM 22 reflected therein.

04:06PM 23 MR. TRAUPMAN: Yes, Your Honor. So  
04:06PM 24 just -- I think the corporate -- the corporate -- the  
04:06PM 25 designation of -- of DIRECTV as the corporate successor

04:06PM 1 of ReplayTV is not as clean, I think, as what Counsel  
04:06PM 2 for TiVo might have said. I mean, so Mr. Wood, as I  
04:06PM 3 said, was the original founder and CEO of -- of  
04:06PM 4 ReplayTV. He had documents in his possession, as being  
04:06PM 5 the CEO of the company. There's a subpoena served on  
04:06PM 6 him that he produced these documents in response to  
04:06PM 7 that subpoena. As CEO he would -- he's able to say  
04:06PM 8 yes, these are ReplayTV documents that I had in my  
04:06PM 9 possession.

04:06PM 10 They didn't -- they were in the  
04:06PM 11 possession of -- of the successor in interest because  
04:06PM 12 Mr. Wood had them. Now Mr. Wood's moved on to another  
04:06PM 13 company, but that doesn't mean they're not business  
04:06PM 14 records of ReplayTV that the CEO of ReplayTV had in his  
04:06PM 15 possession.

04:06PM 16 THE COURT: But he's not the CEO of  
04:06PM 17 ReplayTV anymore, is he?

04:06PM 18 MR. TRAUPMAN: Well, ReplayTV doesn't  
04:06PM 19 exist anymore.

04:07PM 20 THE COURT: Right. And it has a  
04:07PM 21 successor in interest, which is DIRECTV and DIRECTV  
04:07PM 22 acquired the assets of ReplayTV. And if they're  
04:07PM 23 business records of DIRECTV, there needs to be a  
04:07PM 24 custodian from DIRECTV that can testify to the business  
04:07PM 25 records exception if you're offering them as business

04:07PM 1 records of ReplayTV, which is what you've told me.

04:07PM 2 MR. TRAUPMAN: Well, they also  
04:07PM 3 corroborate Mr. Shanson's just testimony that how he --  
04:07PM 4 how he -- how he developed the ReplayTV device, so  
04:07PM 5 they're not even necessarily offered for the truth of  
04:07PM 6 the matter it's serving, they just provide  
04:07PM 7 corroboration to his oral testimony, which is also --  
04:07PM 8 another requirement under Section 102(g). So they're  
04:07PM 9 authentic because Mr. Shanson says I wrote this and  
04:07PM 10 they provide corroboration to his oral testimony.

04:07PM 11 THE COURT: How in the world could they  
04:07PM 12 corroborate something without being offered for the  
04:07PM 13 truth of what they're -- what they assert?

04:07PM 14 MR. TRAUPMAN: It's a contemporaneous  
04:07PM 15 record, Your Honor.

04:07PM 16 THE COURT: Well, to the extent -- you  
04:08PM 17 know, to the extent the witness has personal knowledge  
04:08PM 18 what's in the record, the witness can testify what  
04:08PM 19 their personal knowledge is. To the extent you're  
04:08PM 20 offering them as a business record of ReplayTV, you've  
04:08PM 21 told me nothing that makes me satisfied you can meet  
04:08PM 22 the business records exception to the hearsay rule.

04:08PM 23 So if they're a business record of  
04:08PM 24 ReplayTV, I'm going to sustain the objection. That  
04:08PM 25 doesn't mean if somebody says this is my work, I wrote



04:08PM 1 it, can't talk about what they did and what their work  
04:08PM 2 is, whether it's reflected in that document or they're  
04:08PM 3 talking off the top of their head. But to offer  
04:08PM 4 that -- the document itself into evidence as a business  
04:08PM 5 record of ReplayTV, you've got to have a custodian or  
04:08PM 6 the successor entity who can testify to the business  
04:08PM 7 records exception. And unless I'm missing something,  
04:08PM 8 you -- you don't have one.

04:08PM 9 So I'm going to grant the objection to  
04:08PM 10 the business records exception -- I'm going to grant  
04:08PM 11 the objection to the hear -- I'm going to grant the  
04:08PM 12 hearsay objection. All right?

04:08PM 13 MR. TRAUPMAN: Understood.

04:09PM 14 THE COURT: All right. Let's go to  
04:09PM 15 category 21, unless I've missed something.

04:09PM 16 MS. DOAN: Your Honor, if at trial we  
04:09PM 17 can -- we can go around the hearsay exception through a  
04:09PM 18 witness, can we reoffer the document?

04:09PM 19 THE COURT: I'm not precluding some  
04:09PM 20 other basis, but they've been offered as a business  
04:09PM 21 record and I'm finding that you don't meet the business  
04:09PM 22 records exception.

04:09PM 23 MS. DOAN: Thank you, Your Honor.

04:09PM 24 THE COURT: But by the same token --  
04:09PM 25 well, never mind. Go ahead.

04:09PM 1 MS. DUCCA: Your Honor, with respect to  
04:09PM 2 exhibit category 21, Motorola and Time Warner Cable  
04:09PM 3 have withdrawn the following exhibits: Plaintiffs'  
04:09PM 4 Exhibit 72, 73, 77, 1660, 1719, 1977, 1978, 1979, 1981,  
04:10PM 5 1982, 1984, 1985, 1986, and 1987.

04:10PM 6 We have not withdrawn Exhibits 74, 75,  
04:10PM 7 76, 78, 80, 81, 1652, 1653, 1654, 1655, 1656, 1657,  
04:10PM 8 1658, 1659, 1674, 1698, 1699, 1700, 1701, 1703, 1704,  
04:10PM 9 1705, 1706, 2663, and 2673.

04:11PM 10 THE COURT: All right. Let me hear  
04:11PM 11 TiVo's objections to the nonwithdrawn exhibits.

04:11PM 12 MR. WERNER: Thank you, Your Honor. We  
04:11PM 13 have a similar situation again with respect to Grass  
04:11PM 14 Valley as we did with Replay and with iMedia. And TiVo  
04:11PM 15 lodges a similar objection with respect to these  
04:11PM 16 documents, the necessary foundation of predicate needs  
04:11PM 17 to be established before they can be admitted,  
04:11PM 18 documents need to be proved up.

04:11PM 19 There's a particular problem within this  
04:11PM 20 category, this objection category, that we'd like to  
04:11PM 21 address with Your Honor.

04:11PM 22 Josh, if you could pull up PX-1660.

04:11PM 23 THE COURT: Was this not withdrawn? I  
04:11PM 24 have that marked as withdrawn.

04:12PM 25 MS. DUCCA: Your Honor, this exhibit has

04:12PM 1 been withdrawn.

04:12PM 2 MR. WERNER: It has? My apologies.

04:12PM 3 THE COURT: That particular problem has  
04:12PM 4 been dealt with.

04:12PM 5 MR. WERNER: My record today is  
04:12PM 6 excellent.

04:12PM 7 THE COURT: All right. So your  
04:12PM 8 objection, Counsel, is lack of foundation and hearsay?

04:12PM 9 MR. WERNER: That is correct, Your  
04:12PM 10 Honor.

04:12PM 11 THE COURT: Response?

04:12PM 12 MR. TRAUPMAN: Your Honor, these  
04:12PM 13 documents were produced in response to the subpoena to  
04:12PM 14 Grass Valley. We are planning on having a Grass Valley  
04:12PM 15 witness come and testify to authenticate these  
04:12PM 16 documents. They are largely, and generalizing here,  
04:12PM 17 but most of these documents are user manuals,  
04:12PM 18 installation manuals, service manuals, that type of  
04:12PM 19 thing for -- related to the PDR200 prior art device.

04:12PM 20 They clearly are business records that  
04:12PM 21 were created in the course of Grass Valley's business.  
04:12PM 22 They've given them to customers along with, you know,  
04:13PM 23 Grass Valley devices as they were purchased. Again,  
04:13PM 24 our witness is going to confirm all these facts on the  
04:13PM 25 witness stand. We believe that they are -- all these

04:13PM 1 exhibits are admissible.

04:13PM 2 THE COURT: Well you know, in most  
04:13PM 3 trials, Counsel, the lawyers get together, they know  
04:13PM 4 the business records exception, they look at what the  
04:13PM 5 other side's got and if they meet the exception, the  
04:13PM 6 objection goes away, you don't have to bring the  
04:13PM 7 authenticating witness, they're preadmitted and you use  
04:13PM 8 them in trial and you both save a lot of time. It  
04:13PM 9 doesn't look like that's going to happen in this trial.

04:13PM 10 MR. TRAUPMAN: We --

04:13PM 11 THE COURT: So I mean, if you want to lay  
04:13PM 12 a predicate and bring the witness, I'll take it up  
04:13PM 13 as -- in due course during the trial. But otherwise,  
04:13PM 14 I'm in no position to say whether you can or can't meet  
04:13PM 15 that exception with what you've just represented to me.

04:13PM 16 MR. TRAUPMAN: Okay, Your Honor. We --  
04:13PM 17 I mean, we will bring a witness to authenticate these  
04:13PM 18 at trial and -- and prove the business exception. They  
04:13PM 19 were also testimony, deposition testimony was also  
04:13PM 20 given that these were exactly as I just represented.  
04:14PM 21 Again, documents that were created 20 years ago almost,  
04:14PM 22 15 years ago, in the ordinary course of Grass Valley's  
04:14PM 23 business in supporting their drafts of that PDR200  
04:14PM 24 device.

04:14PM 25 THE COURT: I guess what I'm saying,

04:14PM 1 Counsel, is you're y'all capable lawyers. You all know  
04:14PM 2 what the business records exception to the hearsay rule  
04:14PM 3 is. Why haven't you gone through this and come to a  
04:14PM 4 reasonable conclusion that you can both agree to and  
04:14PM 5 why am I not having these matters already taken care  
04:14PM 6 of?

04:14PM 7 I mean, that -- I don't know the answer  
04:14PM 8 to that, but obviously you haven't done it and we're  
04:14PM 9 not going to do it today. I can't rule on the  
04:14PM 10 admissibility based on that exception, based on what  
04:14PM 11 you're representing did or didn't happen or what  
04:14PM 12 somebody is or isn't going to say when they come to  
04:14PM 13 testify. So we'll just carry these to the trial.

04:14PM 14 But I remind everybody, there's a finite  
04:14PM 15 amount of time the Court's allowed for presentation of  
04:14PM 16 evidence and it's not going to be extended because the  
04:14PM 17 parties haven't met and conferred and streamlined the  
04:15PM 18 evidence process. If it eats up your time, that's not  
04:15PM 19 my fault. Understood?

04:15PM 20 MR. TRAUPMAN: Yes, Your Honor.

04:15PM 21 THE COURT: All right. I'll carry the  
04:15PM 22 objections based on hearsay and the business records  
04:15PM 23 exception until a sponsoring witness is presented who  
04:15PM 24 can be evaluated by the Court.

04:15PM 25 Category 22.

04:15PM 1 MS. DUCCA: Your Honor, I do not believe  
04:15PM 2 we have any agreements with respect to category 22. We  
04:15PM 3 have not withdrawn any exhibits and TiVo has not  
04:15PM 4 withdrawn any objections.

04:15PM 5 THE COURT: All right. TiVo, what's the  
04:15PM 6 basis of your objection to these three exhibits?

04:15PM 7 MR. WERNER: Thank you, Your Honor.  
04:15PM 8 Category 22 reflects several documents. I refer to the  
04:15PM 9 Court earlier, I noted that we had an objection similar  
04:15PM 10 to the real 1673, these are those documents. Similar  
04:16PM 11 to what we discussed before with the Emmy present --  
04:16PM 12 the Emmy document, these are documents about Replay --  
04:16PM 13 sorry, Grass Valley having allegedly received awards  
04:16PM 14 for its products.

04:16PM 15 TiVo objects to these documents as  
04:16PM 16 irrelevant, prejudicial, and reflecting hearsay that is  
04:16PM 17 inadmissible under any exception.

04:16PM 18 THE COURT: Well, your irrelevant --  
04:16PM 19 irrelevance objection is overruled.

04:16PM 20 What's the basis of your hearsay  
04:16PM 21 objection?

04:16PM 22 MR. WERNER: These documents reflect  
04:16PM 23 websites and similar -- why don't we pull up PX-828?

04:16PM 24 MR. TRAUPMAN: Pull up what?

04:17PM 25 MR. WERNER: 828. This is a press

04:17PM 1 release, what appears to be a press release. You'll  
04:17PM 2 see the Bates numbers at the bottom.

04:17PM 3 Actually, if you could zoom back out.

04:17PM 4 Bates numbers at the bottom show this  
04:17PM 5 document was produced by Microsoft, so we're not sure  
04:17PM 6 where this document came from. Microsoft found it  
04:17PM 7 someplace. There's nothing to indicate whether this  
04:17PM 8 document was actually published and to be --

04:17PM 9 THE COURT: What's the -- what's the  
04:17PM 10 reference to PR News Wire up there at the top?

04:17PM 11 MR. WERNER: I'm not sure. I believe PR  
04:17PM 12 News Wire is some form of service that offers press  
04:17PM 13 releases for access to the public.

04:17PM 14 THE COURT: All right. Motorola, how do  
04:17PM 15 you propose to show that this is not hearsay or meets  
04:18PM 16 an exception?

04:18PM 17 MR. TRAUPMAN: Your Honor, PR News Wire  
04:18PM 18 is a well-known organization that publishes news  
04:18PM 19 releases that fits within a hear -- the exception to  
04:18PM 20 the hearsay rule. It -- you know, the newspaper  
04:18PM 21 exception to the hearsay rule, it's well-known that,  
04:18PM 22 you know, these sort of press releases that PR News  
04:18PM 23 Wire deals -- you know, publishes these sort of press  
04:18PM 24 releases. Moreover, they're business record -- these  
04:18PM 25 press releases are created by Grass Valley and sent out

04:18PM 1 over the wire service; that's how press releases work.  
04:18PM 2 They're business records.

04:18PM 3 Again, we're going to have a witness come  
04:18PM 4 and testify we've -- and to establish these as business  
04:18PM 5 records, something that would have been created in the  
04:18PM 6 ordinary course of Grass Valley's business. They issue  
04:18PM 7 a press release when they come out with a new version  
04:18PM 8 of the product.

04:19PM 9 THE COURT: So your position is this is  
04:19PM 10 not a new story from PR Wire -- News Wire, this is a  
04:19PM 11 press release Grass Valley generated and sent to PR  
04:19PM 12 News Wire for their use?

04:19PM 13 MR. TRAUPMAN: Well, the way press  
04:19PM 14 releases work, Your Honor, typically, and this is what  
04:19PM 15 our witness will confirm, is you know, that they -- a  
04:19PM 16 company issues a press release, it sends it to the wire  
04:19PM 17 services. You may have heard the wire services -- the  
04:19PM 18 wire services are, for instance, PR News Wire. They  
04:19PM 19 then publish it as part of an aggregating type of --  
04:19PM 20 you know, it's kind of like sending a story to the  
04:19PM 21 newspaper and then it's published and, you know, for  
04:19PM 22 instance, you can go on to Grass -- you could on to  
04:19PM 23 financial web pages for Grass Valley. You know,  
04:19PM 24 they'll have the PR News Wire feed for Grass Valley, so  
04:19PM 25 you can learn what Grass Valley is doing.



04:19PM 1 So it's originally draft -- this is  
04:19PM 2 drafted by Grass Valley, sent to the news wire and then  
04:19PM 3 published by the news wire. So we think it actually  
04:19PM 4 fits into two separate hearsay exceptions, Your Honor.

04:20PM 5 THE COURT: And so you're telling me  
04:20PM 6 that there will be a Grass Valley witness who will  
04:20PM 7 testify that this was a record of that company,  
04:20PM 8 prepared in the normal course of business and  
04:20PM 9 maintained by them?

04:20PM 10 MR. TRAUPMAN: Yes, Your Honor.

04:20PM 11 THE COURT: All right. TiVo, how is  
04:20PM 12 that not an exception to the hearsay rule? Assuming  
04:20PM 13 that they can produce what they say they can.

04:21PM 14 MR. WERNER: Thank you, Your Honor.  
04:21PM 15 This is not a Grass Valley document. There is no  
04:21PM 16 evidence in the record about the history of the  
04:21PM 17 document. It's been alleged that it was authored by  
04:21PM 18 Grass Valley and went through a series of steps to get  
04:21PM 19 to PR News Wire and then allegedly published. There's  
04:21PM 20 nothing in the record to indicate that it hasn't been  
04:21PM 21 modified, that it is exactly as it was authored  
04:21PM 22 originally and it's -- it's -- it's pure hearsay.

04:21PM 23 THE COURT: Well, if they produce a  
04:21PM 24 witness at trial who says this is exactly as it was  
04:21PM 25 originally generated. It was generated by Grass Valley

04:21PM 1 as a part of their business operations, maintained by  
04:21PM 2 them and I have care and custody of the business  
04:21PM 3 records of Grass Valley and this is among them, then I  
04:21PM 4 think it meets the exception to the hearsay rule. But  
04:21PM 5 you telling me there's nothing in the record to do that  
04:21PM 6 today may well be the case. But if they can -- if they  
04:21PM 7 can substantiate it at trial, fine.

04:22PM 8 Again, this is one of the things that  
04:22PM 9 usually is disclosed between Counsel and you'll save  
04:22PM 10 bringing the person in just to authenticate a document.  
04:22PM 11 But we obviously have a disagreement about what is or  
04:22PM 12 isn't going to be said about this document, so I guess  
04:22PM 13 I'll have to wait and hear what the sworn testimony is  
04:22PM 14 when it's offered at trial. I don't see that you-all  
04:22PM 15 have given me any other alternative.

04:22PM 16 And if it can meet the exception, it'll  
04:22PM 17 come in; if it can't, it won't. But for you to say  
04:22PM 18 we've got a person who will say this and you say no,  
04:22PM 19 they can't have a person that says that, I don't know  
04:22PM 20 how I can fairly sit here and take sides without  
04:22PM 21 hearing sworn testimony from somebody.

04:23PM 22 We're going to waste an awful lot of  
04:23PM 23 this -- of trial time on business records prove ups if  
04:23PM 24 we keep doing it this way, though. That's not going to  
04:23PM 25 bother me. The same amount of time is going to apply

04:23PM 1 for me sitting on the bench, but it may bother you-all  
04:23PM 2 and your clients, so I want you to consider that. But  
04:23PM 3 unless you reach some agreement to the contrary, I'll  
04:23PM 4 carry this until I hear the predicate laid at trial.

04:23PM 5 MR. WERNER: There are, Your Honor, two  
04:23PM 6 other documents in this category.

04:23PM 7 THE COURT: I assume they're of a similar  
04:23PM 8 nature?

04:23PM 9 MR. WERNER: That's correct, Your Honor.

04:23PM 10 THE COURT: Then the ruling will apply  
04:23PM 11 to all three of them.

04:23PM 12 MR. WERNER: Thank you, Your Honor.

04:23PM 13 THE COURT: All right. Objection  
04:23PM 14 category 23.

04:23PM 15 MS. DUCCA: Your Honor, I have some good  
04:23PM 16 news with respect to the next two categories. For  
04:23PM 17 category 23, Motorola and Time Warner Cable have  
04:23PM 18 withdrawn Exhibits 940, 2624, 2627, 2630, and 2631. So  
04:24PM 19 it is my understanding that this objection is moot.

04:24PM 20 THE COURT: Is that correct, TiVo?

04:24PM 21 MR. WERNER: That's correct, Your Honor.

04:24PM 22 THE COURT: All right.

04:24PM 23 MS. DUCCA: With respect to objection  
04:24PM 24 category 24, Motorola and Time Warner Cable have  
04:24PM 25 withdrawn Exhibits 962, 1668, 1669, 1713, and 1719.

04:24PM 1 That's all of the exhibits that were objected to, so  
04:24PM 2 it's my understanding that this is also moot.

04:24PM 3 MR. WERNER: That's correct, Your Honor.

04:24PM 4 THE COURT: All right. Objection  
04:24PM 5 category number 25?

04:24PM 6 MS. DUCCA: Okay. Objection category 25,  
04:24PM 7 Motorola and Time Warner Cable have withdrawn Exhibits  
04:24PM 8 1490 and 2019.

04:24PM 9 It's my understanding that we have an  
04:24PM 10 agreement with respect to the following exhibit  
04:24PM 11 numbers: PX-1721, 1722, 1723, 1997, 1998, 1999, 2003,  
04:25PM 12 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012,  
04:25PM 13 2013, and 2014. It's my understanding that by mutual  
04:25PM 14 agreement, the exhibit objection is withdrawn with  
04:25PM 15 respect to those exhibits.

04:25PM 16 THE COURT: Is that correct, TiVo?

04:25PM 17 MR. WERNER: We are on category 25?

04:25PM 18 THE COURT: 25, correct.

04:25PM 19 MR. WERNER: I was under the impression  
04:25PM 20 that we had reached an agreement on those and that --

04:25PM 21 THE COURT: Well, she says you have, too,  
04:25PM 22 but we don't know if it's the same agreement.

04:25PM 23 MR. WERNER: Okay. And that's what I  
04:25PM 24 was trying to -- Your Honor, I was trying to confirm  
04:25PM 25 what the -- what our position was on those two and

04:26PM 1 if -- I'm very sorry, the two that are remaining are?

04:26PM 2 MS. DUCCA: There are three remaining.

04:26PM 3 It's Exhibits 944, 1720, and 1995.

04:26PM 4 MR. WILSON: So Your Honor, we spoke  
04:26PM 5 about these at the meet and confer. I think we were  
04:26PM 6 close to reaching an agreement here, so I don't want to  
04:26PM 7 take too much of the Court's time. For 9 -- PX-944, I  
04:26PM 8 was informed after we met and conferred that this was  
04:26PM 9 originally included on our exhibit list with a note  
04:26PM 10 that it was for impeachment purposes.

04:26PM 11 This is an expert report of Dr.  
04:26PM 12 Villasenor in an earlier case and when we met and  
04:26PM 13 conferred, I wasn't aware of that note. So we're not  
04:26PM 14 offering this expert report in as evidence, but we  
04:26PM 15 understood at the time that we needed to identify  
04:26PM 16 potential impeachment exhibits and so this was for  
04:26PM 17 impeachment purposes.

04:26PM 18 THE COURT: Well, with that  
04:26PM 19 clarification, does TiVo still lodge an objection to  
04:27PM 20 944?

04:27PM 21 MR. WERNER: I believe we lodge an  
04:27PM 22 objection with the understanding that it is not being  
04:27PM 23 offered into evidence as a trial exhibit. I think it  
04:27PM 24 is our position that we withdraw our objection -- we do  
04:27PM 25 not object to the document as impeachment.

04:27PM 1 THE COURT: All right. Sounds like  
04:27PM 2 there's no live dispute as to this one, then?

04:27PM 3 MR. WILSON: Assuming it is appropriate  
04:27PM 4 impeachment evidence.

04:27PM 5 MR. WERNER: Our objection is to  
04:27PM 6 admission of that document into evidence. We object to  
04:27PM 7 that.

04:27PM 8 THE COURT: All right. Motorola's  
04:27PM 9 telling me that you're not going to use this except to  
04:27PM 10 impeach somebody.

04:27PM 11 MR. WILSON: We intend to use it on  
04:27PM 12 cross-examination for impeachment purposes.

04:27PM 13 THE COURT: Well, based on what you've  
04:27PM 14 told me, I will not preadmit 944. I'll allow its use  
04:28PM 15 for impeachment and that should resolve it, so far as I  
04:28PM 16 can see.

04:28PM 17 MR. WILSON: And I believe it would,  
04:28PM 18 Your Honor.

04:28PM 19 THE COURT: Okay.

04:28PM 20 MR. WILSON: Then the other two  
04:28PM 21 exhibits, PX-1995 and PX-1720 are simply CVs of our  
04:28PM 22 experts that they have prepared in the ordinary course  
04:28PM 23 of their business that summarize their qualifications  
04:28PM 24 and we had included them in the exhibit list as a way  
04:28PM 25 to provide the Jury with additional information

04:28PM 1 regarding the qualifications. But we've discussed with  
04:28PM 2 the other side potentially using demonstrative exhibits  
04:28PM 3 that the experts can testify about with their -- their  
04:28PM 4 background, if there's no objection from the other side  
04:28PM 5 as to demonstrative exhibits, then we would just  
04:28PM 6 withdraw these on the exhibit list as evidence, Your  
04:29PM 7 Honor.

04:29PM 8 THE COURT: Is there objection to their  
04:29PM 9 use as a Jury aid or demonstrative?

04:29PM 10 MR. WERNER: No, Your Honor, so long as  
04:29PM 11 they're not admitted as trial exhibits.

04:29PM 12 THE COURT: All right. Well, if they're  
04:29PM 13 a demonstrative or a Jury aid, they're not -- they're  
04:29PM 14 not exhibits.

04:29PM 15 MR. WERNER: Thank you, Your Honor.

04:29PM 16 THE COURT: All right. So they're  
04:29PM 17 withdrawn. 15 -- 1995 and 1720 are withdrawn by  
04:29PM 18 Motorola, but TiVo waives any objection to the use of  
04:29PM 19 the same as a Jury aid or demonstrative before the  
04:29PM 20 Jury.

04:29PM 21 MR. WERNER: That's correct, Your Honor.

04:29PM 22 THE COURT: Okay. Category 26.

04:29PM 23 And for the record, the -- backing up  
04:29PM 24 just a minute, the exhibits identified under objection  
04:29PM 25 category 25, other than those three, are the exhibits

04:29PM 1 withdrawn or the objection withdrawn?

04:29PM 2 MS. DUCCA: The exhibits are not  
04:29PM 3 withdrawn. It's my understanding that the objections  
04:29PM 4 are withdrawn.

04:29PM 5 MR. WERNER: On the condition that we  
04:29PM 6 have an agreement, both parties sought and seek  
04:30PM 7 admission of exhibits to expert reports. Motorola and  
04:30PM 8 Time Warner Cable have lodged a similar objection to  
04:30PM 9 similar exhibits on TiVo's list. With the  
04:30PM 10 understanding that those objections are also withdrawn,  
04:30PM 11 TiVo withdraws its objections to these.

04:30PM 12 THE COURT: Well, if they renege when we  
04:30PM 13 get to theirs, I'll let you withdraw your agreement on  
04:30PM 14 these.

04:30PM 15 MR. WERNER: Thank you, Your Honor.

04:30PM 16 THE COURT: I'm assuming they're not  
04:30PM 17 going to do that, then the objection is withdrawn as to  
04:30PM 18 everything but 1995, 1720, and 944.

04:30PM 19 Now with that clarification, on to  
04:30PM 20 category 26.

04:30PM 21 MS. DUCCA: Thank you, Your Honor. With  
04:30PM 22 respect to category 26, Motorola and Time Warner Cable  
04:30PM 23 have withdrawn Exhibits 964, 965, 1632, 1671, and 1718.

04:30PM 24 We have not withdrawn the Exhibits 656,  
04:30PM 25 1064, 1629, 1630, 1994 or 2677. I understand those are



04:31PM 1 still at issue.

04:31PM 2 THE COURT: All right. What's the  
04:31PM 3 objection as to these nonwithdrawn exhibits in this  
04:31PM 4 category?

04:31PM 5 MR. WERNER: I have four exhibits, 656,  
04:31PM 6 1629, 1630 and 2677. TiVo's withdrawn its objections  
04:31PM 7 to 1064 and 1994.

04:31PM 8 THE COURT: So that 1064 and 1994 are  
04:31PM 9 preadmitted. That leaves us with 656, 1629, 1630, and  
04:31PM 10 2677.

04:31PM 11 MR. WERNER: That's what I have, Your  
04:31PM 12 Honor.

04:31PM 13 THE COURT: What's the -- what's your  
04:31PM 14 objection on those?

04:31PM 15 MR. WERNER: Thank you, Your Honor. 1629  
04:31PM 16 and 1630, all are highly prejudicial pseudo expert  
04:31PM 17 opinion documents.

04:31PM 18 If we could put 1629 on the screen?

04:32PM 19 It's an MITV Technology review titled The  
04:32PM 20 Starving Actor, Why TiVo Has Never Turned A Profit. If  
04:32PM 21 you'll recall, Your Honor granted a Motion In Limine  
04:32PM 22 that Motorola filed seeking to exclude this very sort  
04:32PM 23 of evidence, the overall profitability of the company,  
04:32PM 24 total revenues, relative size, this sort of  
04:32PM 25 information. Not only that, the document is authored

04:32PM 1 by Mr. Gardner, I'm not sure what his position or  
04:32PM 2 stature is. Is he an economist? Is he just a  
04:32PM 3 technical commentator? It's not clear.

04:32PM 4 This what's been called a business case  
04:32PM 5 document is just this gentleman's opinion of certain  
04:32PM 6 aspects of TiVo, mainly TiVo's business, and obviously  
04:32PM 7 the entire article is about its profitability. We  
04:32PM 8 argue it is irrelevant and to the extent it bears any  
04:32PM 9 probative value, that probative value is substantially  
04:32PM 10 outweighed by its prejudicial effect.

04:32PM 11 THE COURT: Objection sustained.

04:33PM 12 MR. WERNER: Turning to --

04:33PM 13 THE COURT: We're not going to slander  
04:33PM 14 each other in this trial, Counsel.

04:33PM 15 Go ahead.

04:33PM 16 MR. WERNER: Thank you, Your Honor.

04:33PM 17 Turning to -- on that note, Your Honor, I -- I have to  
04:33PM 18 backtrack just a little bit.

04:33PM 19 Could you put PX-1632 up on the screen?

04:33PM 20 This is one of the exhibits that's been  
04:33PM 21 withdrawn. If TiVo thinks your gay, here's how to set  
04:33PM 22 it straight. I think it's obvious why this exhibit was  
04:33PM 23 withdrawn. The issue is that Motorola's expert, Dr.  
04:33PM 24 Scott, relies on this exhibit and we're concerned that  
04:33PM 25 this exhibit might see the light of day through Dr.

04:33PM 1 Scott and we would ask the Court, because of the  
04:33PM 2 extremely prejudicial nature of this document, to issue  
04:33PM 3 an order that it not be used in this trial in any way.

04:33PM 4 THE COURT: Does Motorola expect this to  
04:34PM 5 be used by their expert? And if so, how?

04:34PM 6 MR. WILSON: Your Honor, this exhibit is  
04:34PM 7 withdrawn. We do not intend to have Dr. Scott testify  
04:34PM 8 about the substance of this exhibit. It's something  
04:34PM 9 she reviewed in forming her opinions, but it's not  
04:34PM 10 going to be used at trial.

04:34PM 11 THE COURT: All right. I'm going to  
04:34PM 12 instruct you to advise your witness, Dr. Scott, not to  
04:34PM 13 make reference to this article directly during her  
04:34PM 14 testimony.

04:34PM 15 MR. WILSON: That's fine, Your Honor.  
04:34PM 16 We weren't intending to do that --

04:34PM 17 THE COURT: I understand that.

04:34PM 18 MR. WILSON: -- and I'm not sure why  
04:34PM 19 we're going back to this after it was withdrawn.

04:34PM 20 THE COURT: Well, that should put a  
04:34PM 21 final nail in that coffin.

04:34PM 22 Let's go back to --

04:34PM 23 MR. WILSON: I understand.

04:34PM 24 THE COURT: -- what objections we have  
04:34PM 25 that are live about exhibits that haven't been

04:34PM 1 withdrawn.

04:34PM 2 MR. WERNER: Thank you, Your Honor.

04:34PM 3 Could you put 656 up on the board?

04:35PM 4 So what we have here is a -- and it's

04:35PM 5 sort of an odd document, Motorola has withdrawn some of

04:35PM 6 the other exhibits in this category very similar to

04:35PM 7 this. There -- they are stock analyst reports

04:35PM 8 predicting TiVo's performance, its stock performance,

04:35PM 9 its future revenue potential, growth possibilities,

04:35PM 10 this sort of thing. The rest of the exhibits were

04:35PM 11 withdrawn.

04:35PM 12 I believe we have an agreement that this

04:35PM 13 portion of this exhibit would be redacted.

04:35PM 14 MR. WILSON: So we met and conferred

04:35PM 15 with the other side on this, Your Honor, and

04:35PM 16 specifically pointed out the article that we were

04:35PM 17 interested in, which is part of this overall report for

04:35PM 18 TiVo. We weren't intending to introduce this

04:35PM 19 particular page. What we were looking at, if you would

04:35PM 20 put up 1866 --

04:36PM 21 THE COURT: Is 656 that one page that

04:36PM 22 you showed or is it multiple pages?

04:36PM 23 MR. WILSON: No, it's a multiple page

04:36PM 24 document.

04:36PM 25 Sorry, Ryan, we have the wrong document

04:36PM 1 there. If you could put up PX-656 and I'll give you  
04:36PM 2 the page number. Great. And so the pages MOT 1866.  
04:36PM 3 There you go.

04:36PM 4 So when we met and conferred with  
04:36PM 5 Counsel, we identified this article as a part of the  
04:36PM 6 exhibit that we were -- that we were talking about and  
04:36PM 7 this is an article that discusses ReplayTV and in this  
04:36PM 8 particular article it's about getting an award. Now,  
04:36PM 9 TiVo has identified many articles about ReplayTV on its  
04:37PM 10 exhibit list that talk about how ReplayTV failed as a  
04:37PM 11 business entity and how they were sold at the time from  
04:37PM 12 company to company. And this directly rebuts that  
04:37PM 13 evidence.

04:37PM 14 TiVo, it appears, is going to say, well,  
04:37PM 15 that shows that our inventions were nonobvious.  
04:37PM 16 Basically they're using the ReplayTV article they've  
04:37PM 17 identified as evidence of secondary considerations.  
04:37PM 18 This directly rebuts that. It is an article talking  
04:37PM 19 about ReplayTV being given an award for its technology  
04:37PM 20 and it is plainly relevant to rebut their contentions  
04:37PM 21 and it's not hearsay. It's not being admitted for the  
04:37PM 22 truth of the nature of the substances of the award, but  
04:37PM 23 the fact that the award was given.

04:37PM 24 THE COURT: Response?

04:37PM 25 MR. WERNER: Thank you, Your Honor. I

04:37PM 1 see the date on this document as January 28th, 1999.  
04:38PM 2 TiVo launched its product March 31st, 1999. This is  
04:38PM 3 prelaunch some form of review and an award given. It's  
04:38PM 4 just hearsay. This Mr. Corsey apparently had some  
04:38PM 5 opinion that in a head-to-head shootout, Replay was  
04:38PM 6 better. That hearsay opinion is of no value to this  
04:38PM 7 case.

04:38PM 8 THE COURT: Well, I differ with Motorola  
04:38PM 9 on the fact that it's not being offered for the truth  
04:38PM 10 of the matter asserted. It may not be offered to prove  
04:38PM 11 that the award was warranted, but it is certainly  
04:38PM 12 offered to prove the award was given and that's the  
04:38PM 13 matter asserted, so it's offered for the truth of the  
04:38PM 14 matter asserted. So unless there's an applicable  
04:39PM 15 exception, I'm going to find that it is hearsay.

04:39PM 16 Hearing none, I'm going to find that it  
04:39PM 17 is hearsay and I grant the objection to 656.

04:39PM 18 MR. WILSON: Well, Your Honor, I mean --  
04:39PM 19 guess I would say in addition this is a -- the -- you  
04:39PM 20 know, this is a publication that is from the --

04:39PM 21 THE COURT: Well, I asked if there was an  
04:39PM 22 exception and I didn't hear anything.

04:39PM 23 MR. WILSON: It's a business record,  
04:39PM 24 Your Honor as well. I mean, I don't believe it is  
04:39PM 25 being offered for the truth as far as the issue as far

04:39PM 1 as whether ReplayTV's technology was a failure. But in  
04:39PM 2 the alternative, it's a business record. It's a --

04:39PM 3 THE COURT: Well, it's offered --

04:39PM 4 MR. WILSON: -- it's a news --

04:39PM 5 THE COURT: -- for the truth of the  
04:39PM 6 matter asserted and the matter asserted is that it got  
04:39PM 7 the award. So I find that it's offered for the truth  
04:39PM 8 of the matter asserted. You're saying it's a business  
04:39PM 9 record of whom?

04:40PM 10 MR. WILSON: It's a news alert story.  
04:40PM 11 It's a -- on the web, a news alert and it is in  
04:40PM 12 their -- that is their business to report these types  
04:40PM 13 of stories and to do it accurately and in the course of  
04:40PM 14 their business.

04:40PM 15 THE COURT: All right. Bear with me  
04:40PM 16 just a minute.

04:40PM 17 MR. WILSON: Of course, Your Honor. All  
04:41PM 18 right. I'd also point to 803 (17), Your Honor, as a  
04:41PM 19 market report or a commercial publication which  
04:41PM 20 compiles facts or data used by the general public or by  
04:41PM 21 particular professions.

04:41PM 22 MR. WERNER: Is that -- Your Honor --  
04:41PM 23 Your Honor, 803 (17), market reports and similar  
04:41PM 24 commercial publications, refers to publications, market  
04:41PM 25 quotations, lists, directories, or other compilations

04:41PM 1 generally relied on by the public or persons in  
04:41PM 2 particular occupations, that's the Rule that we are  
04:42PM 3 discussing.

04:42PM 4 THE COURT: I have it right in front of  
04:42PM 5 me, Counsel.

04:42PM 6 MR. WERNER: This is -- there's no  
04:42PM 7 indication on this document of an author. That's --  
04:42PM 8 there's no evidence there is a -- it's not a business  
04:42PM 9 record. There's no foundation that it is a business  
04:42PM 10 record, what -- what news alert is.

04:42PM 11 THE COURT: All right.

04:42PM 12 MR. WERNER: It's hearsay.

04:42PM 13 THE COURT: I agree it's not a business  
04:42PM 14 record of anybody that's going to testify in this  
04:42PM 15 trial, but I do find it meets Exception 17 under Rule  
04:42PM 16 803. I do think it is a market report, similar  
04:42PM 17 commercial publication. I think this is a news release  
04:42PM 18 that's typically carried on a financial page. It's got  
04:42PM 19 market quotations at the top. There's no indication  
04:42PM 20 that it's otherwise unreliable or untrustworthy.

04:43PM 21 I think that exception is met, so for  
04:43PM 22 that reason I'll -- I'll deny the objection, reverse my  
04:43PM 23 earlier ruling based on the exception that's been  
04:43PM 24 presented.

04:43PM 25 MR. WILSON: Thank you, Your Honor.



04:43PM 1 THE COURT: Okay. That is 656. What  
04:43PM 2 does that leave us, 1630 and 2677?

04:43PM 3 MR. WERNER: Your Honor, I'm sorry, I did  
04:43PM 4 want to clarify that we could get agreement that that  
04:43PM 5 exhibit -- we have agreement that that portion of the  
04:43PM 6 exhibit is -- is what is being sought to be admitted  
04:43PM 7 and not the rest of the document, 656.

04:44PM 8 THE COURT: Well, you've shown me one  
04:44PM 9 page. My ruling applies to that one page.

04:44PM 10 MR. WILSON: Right. Well, I -- the --  
04:44PM 11 this article itself, it's actually a two-page article,  
04:44PM 12 so I mean, it's the same -- it's the same alert  
04:44PM 13 article, but it does carry over onto the second page  
04:44PM 14 and we can show it does easily.

04:44PM 15 THE COURT: But there's not more than  
04:44PM 16 those two pages?

04:44PM 17 MR. WILSON: Well, there's more in the  
04:44PM 18 exhibit, but this is what we are attempting to admit,  
04:44PM 19 so it would be those two pages, Your Honor.

04:44PM 20 THE COURT: Those two pages are  
04:44PM 21 preadmitted. The rest of the document is not.

04:44PM 22 MR. WILSON: Thank you, Your Honor.

04:44PM 23 THE COURT: All right. What else under  
04:44PM 24 category 26, Counsel?

04:44PM 25 MR. WILSON: The next exhibit is 2677,

04:44PM 1 which is similar, and this is actually -- if we could  
04:44PM 2 put up 2677.

04:44PM 3 THE COURT: Well, you know, before you  
04:44PM 4 respond to their objection, maybe I ought to hear it.

04:44PM 5 MR. WILSON: All right.

04:44PM 6 THE COURT: What's TiVo's objection?

04:45PM 7 MR. WERNER: Appreciate that, Your  
04:45PM 8 Honor.

04:45PM 9 Your Honor, our objection to this  
04:45PM 10 document goes to the content. There are aspects of  
04:45PM 11 this document that reference the overall profitability  
04:45PM 12 and growth prospects of TiVo.

04:45PM 13 If you'll go down I believe it's two more  
04:45PM 14 pages, right in the middle.

04:45PM 15 The stock has fallen from about 47. TiVo  
04:45PM 16 lost \$80.6 million. These sorts of reports of TiVo's  
04:45PM 17 financial health are -- were subjects that Motorola and  
04:45PM 18 TWC sought to move in limine to exclude from this case  
04:46PM 19 and from -- with respect to TiVo's relevance argument,  
04:46PM 20 we lodged the same objection to this document. The  
04:46PM 21 document's also hearsay. It's not a business record.

04:46PM 22 THE COURT: All right. Let me hear from  
04:46PM 23 Motorola. What's the probative value of this?

04:46PM 24 MR. WILSON: All right. Several things,  
04:46PM 25 Your Honor. Your Honor, Motion In Limine 2 did not

04:46PM 1 encompass TiVo profitability for its DVRs and its  
04:46PM 2 subscription service. When we talked about Motion In  
04:46PM 3 Limine 2, we were talking about overall profits of  
04:46PM 4 things that weren't accused or involved in the case.

04:46PM 5 So we strenuously object to the  
04:46PM 6 characterization of Motion In Limine 2 as encompassing  
04:46PM 7 TiVo's profitability on the products that are accused  
04:46PM 8 in this case, which are its DVRs and subscription  
04:47PM 9 services and the problem extended is basing its damages  
04:47PM 10 calculations on as well as Motorola is basing its  
04:47PM 11 damages calculations on.

04:47PM 12 To address the objections here, this is  
04:47PM 13 a --

04:47PM 14 THE COURT: I don't hear TiVo's Counsel  
04:47PM 15 saying this is precluded by a previous ruling on a  
04:47PM 16 Motion In Limine. My understanding is they're  
04:47PM 17 objecting on the basis of the instrument itself.

04:47PM 18 MR. WILSON: All right. I -- I heard an  
04:47PM 19 objection as far as the -- some portions of this based  
04:47PM 20 on Motion In Limine 2. If I'm mistaken -- I may be  
04:47PM 21 mistaken, Your Honor.

04:47PM 22 THE COURT: Well, speak to the  
04:47PM 23 substantive objections.

04:47PM 24 MR. WILSON: Yes. So this talks about  
04:47PM 25 TiVo's business plan, its business model, and its

04:47PM 1 position in the market, which goes to damages issues.  
04:47PM 2 It is an interview with TiVo's former CEO, Mr. Ramsay,  
04:47PM 3 and so it fits within hearsay exceptions as being  
04:47PM 4 admissions, as admissions of TiVo as well as a business  
04:47PM 5 wire publication under the hearsay exception that we  
04:47PM 6 just reviewed. So there's a couple of reasons why this  
04:48PM 7 isn't hearsay.

04:48PM 8 THE COURT: Can you pull it up to the  
04:48PM 9 particular section that's at issue?

04:48PM 10 MR. WILSON: It's -- this is a multipage  
04:48PM 11 article. The interview extends for -- for several  
04:48PM 12 pages talking about TiVo's market plans and its  
04:48PM 13 position in the market in the past.

04:48PM 14 THE COURT: What's the date of this  
04:48PM 15 article?

04:48PM 16 MR. WILSON: It is on the front. It is  
04:48PM 17 8/7 -- I believe that's 8/7/2000 -- 2003. Sorry,  
04:48PM 18 5/7/2003.

04:48PM 19 THE COURT: Yeah, May the 6th.  
04:49PM 20 TiVo, let me hear a response.

04:49PM 21 MR. WERNER: What I didn't hear there  
04:49PM 22 was what -- what this article was particularly relevant  
04:49PM 23 to. There is the reference in the -- in the middle of  
04:49PM 24 the document, if we can go down a page again to the --  
04:49PM 25 one more page, please. And one more page. There you

04:49PM 1 go. Sorry, one more.

04:49PM 2 References to its stock price and overall  
04:49PM 3 business prospects, perhaps it's the last page. Okay.  
04:49PM 4 It's in there.

04:49PM 5 THE COURT: I saw it on page 2. Go back  
04:49PM 6 to --

04:50PM 7 MR. WERNER: Was it 2?

04:50PM 8 THE COURT: -- page 2. There you go.  
04:50PM 9 Right in the middle.

04:50PM 10 MR. WERNER: Right. Stock price,  
04:50PM 11 overall profitability, revenues, these are the sorts of  
04:50PM 12 -- this is precisely the same information that Motorola  
04:50PM 13 sought to exclude from this case and that Your Honor  
04:50PM 14 agreed and ruled, that the overall revenues of the  
04:50PM 15 company are -- are not relevant. Further, the document  
04:50PM 16 is hearsay. It's not a business record. It's not a  
04:50PM 17 compilation.

04:50PM 18 THE COURT: All right. Motorola?

04:50PM 19 MR. WILSON: Yes, Your Honor.

04:50PM 20 THE COURT: Final word.

04:50PM 21 MR. WILSON: If I jumped the gun, I  
04:50PM 22 apologize. I may have jumped to hearsay.

04:50PM 23 TiVo is asserting lost profits in this  
04:50PM 24 case. I mean, that's one of its principal bases for  
04:50PM 25 damages. So the profitability, the amount of profit

04:50PM 1 that TiVo would have made for its alleged loss of sales  
04:51PM 2 is central to their damages case and it's one of the  
04:51PM 3 most important issues with respect to that aspect of --  
04:51PM 4 of damages. So it's highly relevant as the, really,  
04:51PM 5 the fourth prong of the overall Panduit Factor, the  
04:51PM 6 four factor Panduit test that they had to show in order  
04:51PM 7 to establish lost profits, it's the amount of  
04:51PM 8 profitability. So it goes directly to that, Your  
04:51PM 9 Honor.

04:51PM 10 THE COURT: As relates to 2003?

04:51PM 11 MR. WILSON: Yes, as it relates to the  
04:51PM 12 entire damages period. This talks from 2003 going  
04:51PM 13 backward about TiVo having problems and having  
04:51PM 14 difficulties with its profitability and what it is  
04:51PM 15 intending to do to try and correct that. But we're  
04:51PM 16 talking about an entire damages period that, you know,  
04:51PM 17 through -- through trial and so it's all -- it's  
04:51PM 18 relevant to their lost profits case in that respect.

04:51PM 19 THE COURT: What's your response to the  
04:51PM 20 hearsay objection?

04:51PM 21 MR. WILSON: Well again, two -- two  
04:51PM 22 responses. One, it's not hearsay because it's  
04:52PM 23 admissions of their CEO. This is an interview with Mr.  
04:52PM 24 Ramsay, who is the former CEO of TiVo. And two, that  
04:52PM 25 it fits into the market analysis exception that we

04:52PM 1 talked about under 803 (17). This is a today.com  
04:52PM 2 analysis that -- that -- or interview that came out  
04:52PM 3 on -- on the web of its money media section.

04:52PM 4 MR. WERNER: Your Honor, the -- this  
04:52PM 5 article is about the -- the -- how investors feel about  
04:52PM 6 TiVo's stock. There's reports of, I believe it's on  
04:52PM 7 the previous page, about where TiVo's stock price is.

04:52PM 8 All right. So then down one page.

04:52PM 9 Was at \$47 to \$6.75, and it's -- it's --  
04:52PM 10 it's not relevant.

04:52PM 11 THE COURT: Where is the -- where is the  
04:52PM 12 quotation from the TiVo CEO?

04:53PM 13 MR. WILSON: Oh, there's several, Your  
04:53PM 14 Honor. So as you can see if you go up to the first  
04:53PM 15 page and it says an interview with Mr. Ramsay. And at  
04:53PM 16 the top here, Mr. Ramsay has been trying to convince  
04:53PM 17 them that TiVo actually will let advertisers grab  
04:53PM 18 viewers' attention.

04:53PM 19 Then go down -- all right. If you go to  
04:53PM 20 the earlier page.

04:53PM 21 MR. WERNER: The part that said --

04:53PM 22 MR. WILSON: Yeah, right up here. Let  
04:53PM 23 me just point out. We felt from day one that what we  
04:53PM 24 were doing goes beyond DVR, as Ramsay says. We're  
04:53PM 25 revolutionary -- revolutionizing TV. And it goes down

04:53PM 1 and discusses TiVo's past performance and its  
04:53PM 2 discussions in -- in the market.

04:53PM 3 THE COURT: All right. To the extent  
04:53PM 4 there's a direct quote from the CEO of TiVo, I'll admit  
04:54PM 5 it as an admission; otherwise, except an exact -- a  
04:54PM 6 direct quote out of the article, I'll sustain the  
04:54PM 7 objection for the balance of it.

04:54PM 8 The writer's characterizations of what  
04:54PM 9 the interview said are not within that exception. Is  
04:54PM 10 that --

04:54PM 11 MR. WILSON: Thank you, Your Honor.

04:54PM 12 MR. WERNER: Yes.

04:54PM 13 THE COURT: What else under this  
04:54PM 14 category, Counsel?

04:54PM 15 MR. WERNER: I believe that disposes of  
04:54PM 16 this category.

04:54PM 17 MR. WILSON: I believe there's one more.  
04:54PM 18 I believe there's one more, PX-1630.

04:54PM 19 MR. WERNER: I addressed 1629 and 16 --  
04:54PM 20 oh, that's right. Sorry. I backtracked to 1632. My  
04:54PM 21 apologies.

04:54PM 22 THE COURT: 1630.

04:54PM 23 MR. WERNER: Will you pull up 1630?

04:54PM 24 Similar to the MIT starving actor, this  
04:54PM 25 is another business case analysis by -- somehow



04:54PM 1 affiliated with Harvard. So we have a risk that -- of  
04:54PM 2 the Jury assigning this document excessive weight. In  
04:55PM 3 the end, this business case analysis is no evidence in  
04:55PM 4 the record of why this document was created.

04:55PM 5 It's got the TiVo logo in it, which would  
04:55PM 6 lead Jurors to believe it's actually a TiVo document,  
04:55PM 7 but it's clearly not, expressing various opinions about  
04:55PM 8 TiVo's business prospects and its potential for the  
04:55PM 9 future. And it is a hearsay document that is not a  
04:55PM 10 business record, will not be offered up through any  
04:55PM 11 witness, and it's strictly being offered to present  
04:55PM 12 what a Juror might consider to be an impressive pseudo  
04:55PM 13 expert opinion that is negative towards TiVo.

04:55PM 14 THE COURT: Response?

04:55PM 15 MR. WILSON: Yes, Your Honor. This is a  
04:56PM 16 Harvard business school case study and by way of  
04:56PM 17 background, these case studies are what business  
04:56PM 18 schools do when they are training and teaching their  
04:56PM 19 students. So instead of having a textbook, this is  
04:56PM 20 what is produced at the various business schools. So  
04:56PM 21 it is a learned treatise, if you will, just like a  
04:56PM 22 textbook would be in the context of the Professors at  
04:56PM 23 the business school.

04:56PM 24 This is a case study that is published by  
04:56PM 25 the business school. It's authored by the business

04:56PM 1 school Professors and it has sufficient indicia of  
04:56PM 2 reliability as far as the analysis that's put forth in  
04:56PM 3 the business school case study to be admissible under  
04:57PM 4 that exception, Your Honor.

04:57PM 5 MR. WERNER: Your Honor, you know,  
04:57PM 6 I'm --

04:57PM 7 THE COURT: Now, I'm going to sustain  
04:57PM 8 the objection. I don't believe it falls from that  
04:57PM 9 exception and I don't --

04:57PM 10 MR. WILSON: Thank you, Your Honor.

04:57PM 11 THE COURT: -- believe it has any real  
04:57PM 12 substantive, probative value.

04:57PM 13 MR. WERNER: Thank you, Your Honor.

04:57PM 14 THE COURT: I'm going to grant the  
04:57PM 15 objection to 1630. That should bring us to category  
04:57PM 16 27.

04:57PM 17 MS. DUCCA: Your Honor, with respect to  
04:57PM 18 category 27, Motorola and Time Warner Cable have  
04:57PM 19 withdrawn Exhibits 859 and 1274, leaving only Exhibit  
04:57PM 20 1210.

04:57PM 21 THE COURT: All right. TiVo, assuming  
04:57PM 22 you agree with that, what's the basis for your  
04:57PM 23 objection to Exhibit 1210?

04:57PM 24 MS. RABBANI: Good afternoon, Your Honor.  
04:57PM 25 Melissa Rabbani with Irell & Manella for TiVo.

04:57PM 1 Could you please pull up 1210?

04:58PM 2 Your Honor, Exhibit 1210, here it is,  
04:58PM 3 it's a two-page e-mail chain. It's an entirely  
04:58PM 4 internal Time Warner Cable communications and these are  
04:58PM 5 all communications among Time Warner Cable employees  
04:58PM 6 relating to and describing business negotiations with  
04:58PM 7 TiVo.

04:58PM 8 Where they get into trouble from a  
04:58PM 9 hearsay perspective, if we can just blow up the middle  
04:58PM 10 e-mail there from Peter Stern. It's -- in this e-mail  
04:58PM 11 and actually throughout this document, there are a  
04:58PM 12 number of slanted, to say the least, and inaccurate  
04:58PM 13 statements characterizing what TiVo said and did during  
04:58PM 14 negotiations.

04:58PM 15 And I'll read in the middle here. It  
04:58PM 16 says: TiVo's claimed its business model didn't close  
04:58PM 17 without them getting access to our advertising upset  
04:58PM 18 and without us funding their development.

04:59PM 19 Again as to TiVo, this is hearsay. This  
04:59PM 20 is a self-serving, slanted statement. It's inaccurate  
04:59PM 21 and TiVo doesn't have a chance to respond here.

04:59PM 22 To the extent that this document isn't  
04:59PM 23 covered by hearsay, you know, these are very well  
04:59PM 24 papered negotiations between TiVo and Time Warner  
04:59PM 25 Cable. If they want to introduce evidence about TiVo's

04:59PM 1 statements or TiVo's conduct during negotiations, they  
04:59PM 2 have plenty of documents that were actually sent by  
04:59PM 3 TiVo. They could put testimony of TiVo witnesses and  
04:59PM 4 we would submit that this should be excluded under 403.

04:59PM 5 THE COURT: Response?

04:59PM 6 MS. DUCCA: All right. So Your Honor,  
04:59PM 7 as I understand it, this is a pure hearsay objection  
04:59PM 8 and I would submit that this is not hearsay. We're not  
04:59PM 9 offering it for the truth of the matter asserted. This  
04:59PM 10 is a -- and if you, Ryan, if you can pull up Exhibit  
04:59PM 11 1210?

05:00PM 12 And if -- if you notice and you can  
05:00PM 13 scroll through, this is just communications between  
05:00PM 14 individuals at Time Warner Cable describing their state  
05:00PM 15 of mind with respect to the negotiations at -- with  
05:00PM 16 TiVo. We're not offering these for what TiVo said.  
05:00PM 17 We're not offering these for -- to try to represent  
05:00PM 18 that TiVo said a certain thing or made a certain  
05:00PM 19 representation, but we are offering this communication  
05:00PM 20 chain to show that TiVo, individuals at TiVo were  
05:00PM 21 negotiating in good faith. And this is part of our  
05:00PM 22 defense to TiVo's willfulness allegations and it's  
05:00PM 23 clearly relevant. It's not hearsay.

05:00PM 24 THE COURT: All right. Notwithstanding  
05:00PM 25 the hearsay objection, I do find under 403 that the

05:00PM 1 risk of prejudice outweighs the probative value, which  
05:00PM 2 is questionable with regard to this document.

05:01PM 3 I'll sustain the 403 objection.

05:01PM 4 MS. DUCCA: Your Honor, may I address  
05:01PM 5 the 403 objection, please?

05:01PM 6 THE COURT: Well, you're going to tell  
05:01PM 7 me that I misconstrued it and didn't read it the right  
05:01PM 8 way and it was on the screen.

05:01PM 9 MS. DUCCA: I'm --

05:01PM 10 THE COURT: What can you tell me that I  
05:01PM 11 haven't just looked at?

05:01PM 12 MS. DUCCA: I'm not, Your Honor, but one  
05:01PM 13 thing that's important when you're looking at the state  
05:01PM 14 of the mind of the individuals that are involved in the  
05:01PM 15 negotiations is their impressions of what was  
05:01PM 16 represented to them. So it's important to understand  
05:01PM 17 what -- how they understood the communications to them.  
05:01PM 18 And to that extent, it's -- it's a -- the document  
05:01PM 19 explains that they -- this is -- this is what they  
05:01PM 20 understood during their state of mind. They understood  
05:01PM 21 that they were being alleged to be negotiating in bad  
05:01PM 22 faith. Well, their response to that is that they're  
05:01PM 23 not negotiating in bad faith. They're negotiating in  
05:01PM 24 good faith and --

05:01PM 25 THE COURT: And you're telling me you

05:01PM 1 don't have other live witnesses or other evidence to  
05:02PM 2 show what Motorola's state of mind was, Time Warner's  
05:02PM 3 state of mind?

05:02PM 4 MS. DUCCA: Well, I'm -- we do -- we do  
05:02PM 5 have -- we do have witnesses that will be there;  
05:02PM 6 however, this is a -- this is a good indication and  
05:02PM 7 this document really explains how the representations  
05:02PM 8 between the employees and what the state of mind  
05:02PM 9 between the employees with respect to the  
05:02PM 10 communications are.

05:02PM 11 THE COURT: Well, my ruling stands.  
05:02PM 12 It's excluded.

05:02PM 13 All right. Category 28.

05:02PM 14 MS. DUCCA: With respect to objection 28,  
05:02PM 15 Motorola and Time Warner Cable have withdrawn Exhibit  
05:02PM 16 1633. Exhibits 819 and 820 still remain.

05:02PM 17 THE COURT: All right. What's TiVo's  
05:02PM 18 position as to 820, PX-820?

05:02PM 19 MR. WERNER: Can you pull up PX-820,  
05:02PM 20 please?

05:03PM 21 We have this license agreement. This  
05:03PM 22 agreement entered into between Replay and Motorola,  
05:03PM 23 same agreement that was subject to Your Honor's ruling  
05:03PM 24 on MIL 8. Motorola is going to offer this agreement to  
05:03PM 25 suggest, as was discussed previously, that Motorola

05:03PM 1 practices the prior art, this sort of argument to  
05:03PM 2 suggest to the Jury that the Jury should find that  
05:03PM 3 Motorola doesn't infringe because the practice is  
05:03PM 4 something that -- the practice is technology that TiVo  
05:03PM 5 has acknowledged does not practice TiVo's patents.

05:04PM 6 Still disputed that automatic flow  
05:04PM 7 control, the replay at the time of the -- during the  
05:04PM 8 relevant time period, at least based on the evidence  
05:04PM 9 that's been introduced in the case, Replay didn't  
05:04PM 10 practice automatic flow control. Nonetheless, Motorola  
05:04PM 11 wants to offer this, put this in front of the Jury to  
05:04PM 12 suggest that there is some sort of core DVR  
05:04PM 13 functionality that Motorola acquired from Replay and  
05:04PM 14 put into its DVRs.

05:04PM 15 First of all, there's nothing in the  
05:04PM 16 record, be it expert testimony or otherwise, that  
05:04PM 17 establishes that Motorola's products actually  
05:04PM 18 incorporate this ReplayTV technology.

05:05PM 19 Second, there is documents produced by  
05:05PM 20 Motorola, show that even contemporaneous with the task  
05:05PM 21 of allegedly incorporating this solid technology into  
05:05PM 22 Motorola's products -- I'm sorry, Your Honor, my  
05:05PM 23 exhibit is not here. I'm going to have to refer, Your  
05:05PM 24 Honor, to my briefing, my briefing on this motion.

05:05PM 25 THE COURT: Are you talking about the

05:05PM 1 exhibit that's on the screen?

05:05PM 2 MR. WERNER: The exhibit is the  
05:05PM 3 agreement itself. Motorola produced a document  
05:06PM 4 contemporaneous with the entry -- with the execution of  
05:06PM 5 this agreement around about the same time.

05:06PM 6 I'm sorry, can you pull up TX-1234,  
05:06PM 7 please? My sincere apologies, Your Honor. I thought  
05:06PM 8 it was attached as an exhibit. 1234, please.

05:06PM 9 So we have this agreement. We have  
05:06PM 10 Motorola allegedly incorporating Replay's technology  
05:06PM 11 into its products and then Motorola is going to put  
05:06PM 12 that in front of the Jury here and lead the Jury to  
05:06PM 13 believe that Motorola has taken all of --

05:06PM 14 Were you able to pull up 1234, Josh,  
05:06PM 15 Exhibit 1234.

05:06PM 16 It -- it doesn't matter that Motorola  
05:07PM 17 licensed Replay. It's irrelevant, has nothing to do  
05:07PM 18 with anything in this case. And what we have here are  
05:07PM 19 employees of Motorola at the time -- can we go down --  
05:07PM 20 go down one page, please? Highlight the first full  
05:07PM 21 paragraph at the top.

05:07PM 22 We have that this is a -- Jack Surline is  
05:07PM 23 a Motorola employee, still a Motorola employee. He's  
05:07PM 24 been deposed multiple times in these cases. Jack  
05:07PM 25 Surline, Mr. Surline writes about how he's been working



05:07PM 1 with ReplayTV, RTV abbreviated. He describes it there  
05:07PM 2 in the last two sentences. Says: Motorola has paid a  
05:07PM 3 lot of money, what essentially is a file system port  
05:07PM 4 and an IDE driver development effort. File systems,  
05:07PM 5 IDE drivers, these are not DVR specific  
05:08PM 6 functionalities, technologies. Every personal computer  
05:08PM 7 has IDE and has a file system.

05:08PM 8 In response to this e-mail, if we go up  
05:08PM 9 one page, another Jack, we have Jack writing Jack.  
05:08PM 10 Jack Birnbaum writes back: Please try to separate the  
05:08PM 11 money from the work. The Replay deal was more of a  
05:08PM 12 business deal to give instant credibility to our DVR  
05:08PM 13 solution, right or wrong. The money were more for the  
05:08PM 14 ability to make a press release, generate discussion  
05:08PM 15 with our customers.

05:08PM 16 Motorola's own employees had a very low  
05:08PM 17 opinion of this agreement, of this deal. The rest of  
05:08PM 18 the document also describes how ReplayTV was not very  
05:08PM 19 cooperative in whatever efforts they made to work with  
05:09PM 20 Motorola. In any event, as noted there is no evidence  
05:09PM 21 that this alleged ReplayTV technology which is just a  
05:09PM 22 file system report, was ever actually implemented.  
05:09PM 23 This is the only document that we can find where --  
05:09PM 24 production on that subject. There's been no deposition  
05:09PM 25 testimony on this and it's strictly the subject of

05:09PM 1 conjecture by experts, unsubstantiated.

05:09PM 2 THE COURT: What's the relevance,  
05:09PM 3 Motorola?

05:09PM 4 MR. WILSON: Yes, Your Honor. This is  
05:09PM 5 relevant to damages in the case, Georgia-Pacific Factor  
05:09PM 6 2 talks about licenses for comparable technologies and  
05:09PM 7 both experts have relied on various Motorola and TiVo  
05:09PM 8 agreements in reaching their conclusions about what a  
05:09PM 9 comparable license deal would have been to the license  
05:09PM 10 that would be negotiated at the hypothetical  
05:10PM 11 negotiation.

05:10PM 12 So this is not an issue of whether or not  
05:10PM 13 Motorola is using this particular technology in the  
05:10PM 14 asserted -- or in the accused products. This is an  
05:10PM 15 issue of whether the economics of this deal and the  
05:10PM 16 technology disclosed in the deal are comparable to be  
05:10PM 17 what would be considered at the hypothetical  
05:10PM 18 negotiation by the parties when assessing the amount of  
05:10PM 19 a reasonable royalty.

05:10PM 20 And Mr. -- Dr. Sullivan, TiVo's expert,  
05:10PM 21 has identified a series of license agreements that he  
05:10PM 22 believes are comparable. Mr. Hosfield has identified  
05:10PM 23 license agreements that he believes are comparable.  
05:10PM 24 They explain the reasons. Mr. Hosfield goes into an  
05:10PM 25 analysis of the economics of the hypothetical

05:10PM 1 negotiation and why he believes this license agreement  
05:10PM 2 as well as other Motorola and TiVo license agreements  
05:10PM 3 are comparable license agreements for him to use as a  
05:10PM 4 framework or benchmark with respect to considering the  
05:11PM 5 Georgia-Pacific factors of the other Georgia-Pacific  
05:11PM 6 factors for his damages analysis.

05:11PM 7 THE COURT: Your expert has included  
05:11PM 8 this as a comparable agreement in its -- in his damages  
05:11PM 9 analysis?

05:11PM 10 MR. WILSON: He has, Your Honor, for  
05:11PM 11 both the asserted Motorola patents as well as the  
05:11PM 12 asserted TiVo patents. And he, as I said, he explains  
05:11PM 13 his bases for why he believes it's comparable from both  
05:11PM 14 a technical and a financial or economic perspective and  
05:11PM 15 his reliance on our technical experts to explain some  
05:11PM 16 of this technology to him as well as the asserted  
05:11PM 17 technology. So he has -- he has included this in his  
05:11PM 18 expert reports, disclosed his opinions, was deposed  
05:11PM 19 upon that and that's -- forms part of the basis for his  
05:11PM 20 reasonable royalty conclusions.

05:11PM 21 THE COURT: All right. Let me hear a  
05:11PM 22 response from TiVo.

05:11PM 23 MR. WERNER: Thank you, Your Honor.  
05:11PM 24 TiVo has moved to strike that analysis. This agreement  
05:11PM 25 is not comparable. TiVo filed a motion to strike Dr.

05:11PM 1 Hosfield's opinion on this because, including for the  
05:11PM 2 reasons explained here today, the agreement is not  
05:12PM 3 comparable, the -- the technology is not comparable to  
05:12PM 4 DVRs -- to TiVo's core DVR technology.

05:12PM 5 THE COURT: All right. With regard to  
05:12PM 6 PX-820, I'll carry the objection until I hear the  
05:12PM 7 argument and rule on the motion to strike. If I strike  
05:12PM 8 that portion of Motorola's expert report, obviously the  
05:12PM 9 exhibit will be kept out. If I overrule that objection  
05:12PM 10 as to -- if I overrule that motion to strike, then it  
05:12PM 11 will come in. But this will rise and fall with the  
05:12PM 12 expert's report and testimony.

05:12PM 13 MR. WERNER: Thank you, Your Honor.

05:12PM 14 MR. WILSON: Thank you, Your Honor.

05:12PM 15 THE COURT: All right. Category 29.

05:12PM 16 MS. DUCCA: Your Honor, with respect to  
05:12PM 17 category 29, Motorola and Time Warner Cable have  
05:12PM 18 withdrawn Exhibits 2674, 2675, and 2676. The only  
05:12PM 19 remaining exhibit in this category is Exhibit 869.

05:13PM 20 THE COURT: All right. What's TiVo's  
05:13PM 21 objection as to PX-869?

05:13PM 22 MR. WERNER: Relevance, Your Honor.

05:13PM 23 This litigation between SONICblue and TiVo is entirely  
05:13PM 24 irrelevant. To the extent that a Jury would be exposed  
05:13PM 25 to this the -- this evidence, the Jurors would be

05:13PM 1 unduly prejudiced to conclude because ReplayTV,  
05:13PM 2 SONICblue being the intermediate successor in interest  
05:13PM 3 before DIRECTV of ReplayTV, that because these parties  
05:13PM 4 were engaged in litigation, that it would be -- it's  
05:13PM 5 more likely that Replay invalidates TiVo, TiVo's  
05:13PM 6 patents.

05:13PM 7 In particular, if we can call up 869. A  
05:13PM 8 provision of this agreement that -- on which Motorola  
05:14PM 9 relies is Section 2. Can you zoom in on Section 2?

05:14PM 10 Motorola quotes this selectively in their  
05:14PM 11 briefing. What they leave off is the first part, no  
05:14PM 12 admission. In any event, the -- the text that they  
05:14PM 13 quote is self-evident. This agreement is not and shall  
05:14PM 14 never be construed or deemed to be an admission or  
05:14PM 15 concession of liability or culpability by the parties.  
05:14PM 16 To quote Motorola's filing, Motorola asserts that this  
05:14PM 17 is evidence that, quote, and I'm quoting Motorola's  
05:14PM 18 Counsel, TiVo itself concluded that the ReplayTV  
05:14PM 19 products do not infringe the '389 patent. There is no  
05:14PM 20 connection between those two things.

05:14PM 21 Motorola wants to introduce this to  
05:14PM 22 suggest that TiVo believed that Replay -- I'm sorry, to  
05:14PM 23 suggest that Replay did, in fact, infringe TiVo's  
05:15PM 24 patent; that there is overlap between the claims of  
05:15PM 25 Replay and TiVo's patents. That TiVo's assertion,

05:15PM 1 based on a good faith belief that at a time 10 years  
05:15PM 2 ago TiVo had a -- may have concluded that Replay  
05:15PM 3 infringed, that that means that it, in fact, does.

05:15PM 4 A Juror would be misled to believe that  
05:15PM 5 the prior art case is somehow stronger because TiVo had  
05:15PM 6 accused Replay of infringing the '389 patent. That  
05:15PM 7 assertion, the two are not related. One has nothing to  
05:15PM 8 do with the other.

05:15PM 9 THE COURT: Motorola?

05:16PM 10 MR. ANDERSON: Your Honor, Carl Anderson  
05:16PM 11 of Quinn, Emanuel for Motorola.

05:16PM 12 To start where we ended off, TiVo's  
05:16PM 13 accusation that ReplayTV infringed, part of the  
05:16PM 14 admission and it certainly is relevant to --  
05:16PM 15 potentially relevant to a number of issues. It's  
05:16PM 16 relevant to potential noninfringing alternatives as  
05:16PM 17 well as issues in invalidity and noninfringement and  
05:16PM 18 I'm happy to -- I'm happy to talk about that. I think  
05:16PM 19 it's quite clear TiVo at one time did say that ReplayTV  
05:16PM 20 infringed when they filed the lawsuit and then settled  
05:16PM 21 it.

05:16PM 22 The second reason that this is relevant  
05:16PM 23 is that to the extent that TiVo wants to introduce its  
05:16PM 24 settlement agreements with Verizon and AT&T, which have  
05:16PM 25 been subject to previous motion practice, Motorola

05:17PM 1 should be allowed to introduce the settlement agreement  
05:17PM 2 with ReplayTV. It has probative value. We believe it  
05:17PM 3 can be used to rebut what TiVo contends is the  
05:17PM 4 probative value of AT&T and Verizon settlements.

05:17PM 5 So one -- on a point of basic fairness,  
05:17PM 6 if they're going to talk about the settlement  
05:17PM 7 agreements they like, we should be able to talk about  
05:17PM 8 the settlement agreements TiVo -- TiVo has signed that  
05:17PM 9 TiVo doesn't like so much.

05:17PM 10 THE COURT: How many pages are there in  
05:17PM 11 the settlement agreement?

05:17PM 12 MR. ANDERSON: There's two pages.  
05:17PM 13 There's a signature block on the third page.

05:17PM 14 THE COURT: All right. Go back to the  
05:17PM 15 first page of the -- I see. Go to the second page,  
05:17PM 16 please. And go back to the first page.

05:18PM 17 Is there a recital of what the actual  
05:18PM 18 terms of the settlement are in here? Is there money  
05:18PM 19 paid?

05:18PM 20 MR. ANDERSON: Roughly speaking, Your  
05:18PM 21 Honor, it's a walk away.

05:18PM 22 MR. WERNER: Correct, without -- without  
05:18PM 23 prejudice. The parties decided to walk away. This  
05:18PM 24 litigation went no where. It went on for a year and  
05:18PM 25 then it -- they decided, you know, let's just drop it.

05:18PM 1 This isn't a comparable license. I don't -- I believe  
05:18PM 2 that Mr. Hosfield does not rely on this as a comparable  
05:18PM 3 license. The -- and with respect to the Verizon and  
05:18PM 4 AT&T agreement, Your Honor did a -- did an analysis  
05:18PM 5 under ResQNet in relevant case law to determine that  
05:18PM 6 those were admissible.

05:18PM 7 This is completely different and would  
05:18PM 8 not satisfy the requirements to the case law.

05:18PM 9 MR. ANDERSON: Your Honor, may I respond  
05:18PM 10 to that?

05:18PM 11 THE COURT: You may.

05:18PM 12 MR. WERNER: Additionally, I'm sorry,  
05:18PM 13 Your Honor --

05:19PM 14 THE COURT: You'll get a chance in a  
05:19PM 15 minute. Let me hear from Motorola.

05:19PM 16 MR. ANDERSON: The question that -- the  
05:19PM 17 question -- Motorola's -- sorry. Let me start again.

05:19PM 18 Motorola's position is going to be that  
05:19PM 19 the Verizon and AT&T settlement agreements do not have  
05:19PM 20 probative value. That's going to be Motorola's  
05:19PM 21 position. Now, Motorola is entitled to use this  
05:19PM 22 settlement agreement to show exactly why settlement  
05:19PM 23 agreements don't have probative value. Why if TiVo  
05:19PM 24 wants to contend that the Verizon and AT&T agreements  
05:19PM 25 are probative, they have to address why this one isn't.



05:19PM 1 That's what we're going to use it for.

05:19PM 2 So we're not advocating that this has  
05:19PM 3 probative value, Your Honor. We're using it to say  
05:19PM 4 that TiVo is picking and choosing what it thinks is  
05:19PM 5 probative about settlement agreements.

05:19PM 6 THE COURT: All right. Anything else  
05:19PM 7 from TiVo?

05:19PM 8 MR. WERNER: Thank you, Your Honor. Yes,  
05:19PM 9 TiVo is picking and choosing relevant over irrelevant  
05:20PM 10 agreements. This is not a license. This is classic  
05:20PM 11 Rule 403. This -- the sole purpose for introducing  
05:20PM 12 this document is to mislead the Jury about the  
05:20PM 13 significance of this agreement. It has no  
05:20PM 14 significance. It is a walk away.

05:20PM 15 SONICblue was headed into bankruptcy.  
05:20PM 16 ReplayTV had failed. And it was -- this was an  
05:20PM 17 agreement to dismiss the litigation which had gone no  
05:20PM 18 where, lasted for a year, no discovery was taken, no  
05:20PM 19 contentions were served, there's nothing that happened  
05:20PM 20 in this case before it was dismissed without prejudice  
05:20PM 21 by agreement of the parties. It is not a license.

05:20PM 22 THE COURT: All right. Motorola, final  
05:20PM 23 word.

05:20PM 24 MR. ANDERSON: Your Honor, what you just  
05:20PM 25 heard goes to the weight. They're welcome to argue

05:20PM 1 about what makes a settlement agreement probative and  
05:20PM 2 what doesn't. That goes to the weight. It doesn't go  
05:20PM 3 to the relevance.

05:20PM 4 The relevance here is TiVo sued ReplayTV.  
05:20PM 5 We're going to hear about ReplayTV in this trial.  
05:21PM 6 They'd sued them because SONICblue had sued TiVo  
05:21PM 7 before. And the reason it's a walk away is because  
05:21PM 8 both sides asserted their patents against each other;  
05:21PM 9 both sides walked away. As to how much weight that  
05:21PM 10 should be given, that's a question for the Jury.

05:21PM 11 THE COURT: All right. I'm going to  
05:21PM 12 sustain the objection. I don't see that there's any  
05:21PM 13 real probative value here. I do think there is a  
05:21PM 14 likelihood of Jury confusion. The fact that a  
05:21PM 15 settlement agreement is introduced elsewhere doesn't  
05:21PM 16 open the door to every settlement agreement. There are  
05:21PM 17 a lot of settlement agreements that are not --  
05:21PM 18 settlement agreements that are not coming in. I just  
05:21PM 19 don't think under 403 it serves any purpose, but to  
05:21PM 20 potentially confuse the Jury.

05:21PM 21 So I'm going to sustain the objection to  
05:21PM 22 PX-869.

05:21PM 23 MR. WERNER: Thank you, Your Honor.

05:21PM 24 THE COURT: All right. Category 31,  
05:21PM 25 which appears to be the last category of TiVo's

05:21PM 1 objections to proposed exhibits from Motorola, Time  
05:22PM 2 Warner.

05:22PM 3 MS. DUCCA: It is true that it's the  
05:22PM 4 last category; however, there are still some straggler  
05:22PM 5 individual exhibits after that.

05:22PM 6 THE COURT: Just trying to make my day,  
05:22PM 7 aren't you?

05:22PM 8 MS. DUCCA: I'm sorry, Your Honor. I  
05:22PM 9 do --

05:22PM 10 THE COURT: Let's -- let's take up 31.

05:22PM 11 MS. DUCCA: But I do have good news with  
05:22PM 12 respect to Exhibit (sic) 31. I believe we have reached  
05:22PM 13 an agreement. As I understand this -- this -- this  
05:22PM 14 objection is TiVo was -- was confused as to whether  
05:22PM 15 time -- Motorola and Time Warner Cable intended to  
05:22PM 16 bring the secure source code that we had produced  
05:22PM 17 during the litigation. We had agreed that Motorola and  
05:22PM 18 Time Warner Cable will be bringing the secure -- the  
05:22PM 19 secure source code and a computer. It's going to  
05:22PM 20 include that Motorola produce code, that Time Warner  
05:22PM 21 Cable produce code, as well as all the iMedia code that  
05:22PM 22 we relied on and used during discovery and so --

05:22PM 23 THE COURT: Is it coming in an armored  
05:22PM 24 car with guards on either side of it?

05:22PM 25 MS. DUCCA: We -- very, yes, that's

05:22PM 1 precisely what's going to happen. It comes on a little  
05:23PM 2 hard drive.

05:23PM 3 THE COURT: Okay.

05:23PM 4 MS. DUCCA: It's a secure hard drive.

05:23PM 5 THE COURT: So you're telling me that the  
05:23PM 6 dispute here has been resolved?

05:23PM 7 MS. DUCCA: Yes, that is my  
05:23PM 8 understanding, although I -- I anticipate that Mr.  
05:23PM 9 Werner will have a statement to say with regard to  
05:23PM 10 that.

05:23PM 11 MR. WERNER: That's correct, Your Honor.  
05:23PM 12 The agreement relates to the -- the agreement relates  
05:23PM 13 to Motorola source code, Time Warner Cable source code,  
05:23PM 14 and TiVo source code and only that source code. iMedia  
05:23PM 15 source code was also made available on the same  
05:23PM 16 computer and we would like them to bring that source  
05:23PM 17 code to trial. But this agreement regarding the  
05:23PM 18 admission of that source code and the admissibility of  
05:23PM 19 that source code does not apply to the iMedia source  
05:23PM 20 code.

05:23PM 21 There are also other exhibits on  
05:23PM 22 Motorola's trial exhibit list that incorporate other  
05:23PM 23 prior art source code, these placeholder exhibit --  
05:23PM 24 exhibits referring to all source code cited by Mr.  
05:24PM 25 Gray, all source codes cited by Mr. Rodriguez. So

05:24PM 1 those exhibits are not subject to this agreement.

05:24PM 2 The exhibits subject to the agreement are  
05:24PM 3 PX-2647, PX-2649, and PX-2651. All of TiVo's other  
05:24PM 4 objections regarding PX-2653, 2645, and 2644 are  
05:24PM 5 reserved.

05:24PM 6 MS. DUCCA: Your Honor, just to -- to  
05:24PM 7 clarify, and I'm sure Mr. Werner will -- will correct  
05:24PM 8 me if I'm wrong, the exhibit lodged with -- with  
05:24PM 9 Exhibit (sic) 31, as I understand it is withdrawn.  
05:24PM 10 However, what Mr. Werner is saying is that to the  
05:24PM 11 extent his -- to the extent any of the source code in  
05:24PM 12 these exhibits is subject to any of their other  
05:24PM 13 objections that we have been addressing throughout the  
05:25PM 14 day; for example, the Grass Valley source code, iMedia  
05:25PM 15 source code, source code that they have objected to  
05:25PM 16 authenticity and hearsay, that they are still  
05:25PM 17 maintaining those objections. Hopefully that makes  
05:25PM 18 this objection a little bit easier.

05:25PM 19 MR. WERNER: I appreciate Ms. Ducca's  
05:25PM 20 representation regarding TiVo's position; it is  
05:25PM 21 accurate.

05:25PM 22 THE COURT: All right. Then in very  
05:25PM 23 simple terms, do we have something left to argue about  
05:25PM 24 under category 31?

05:25PM 25 MS. DUCCA: It's my understanding that

05:25PM 1 we do not. That the exhibit with respect to -- or the  
05:25PM 2 objections with respect to objection 31 are withdrawn  
05:25PM 3 and I would appreciate it if Mr. Werner would confirm  
05:25PM 4 that.

05:25PM 5 MR. WERNER: The issue is that certain of  
05:25PM 6 these exhibits are only identified -- are objectionable  
05:25PM 7 and only identified in connection with this Exhibit.  
05:25PM 8 I'll have to confirm that.

05:25PM 9 MS. DUCCA: We're unaware of those  
05:25PM 10 objections.

05:26PM 11 THE COURT: I'm trying to finish up,  
05:26PM 12 Counsel. If you need --

05:26PM 13 MR. WERNER: I hear you. That's what I  
05:26PM 14 was trying to do. I want to -- I -- just to make the  
05:26PM 15 record clear, I believe that objection 31 is resolved.  
05:26PM 16 And our objections with respect to the other exhibits  
05:26PM 17 that I didn't call out are reserved.

05:26PM 18 THE COURT: All right.

05:26PM 19 MS. DUCCA: All right.

05:26PM 20 THE COURT: Now, what additional  
05:26PM 21 straggling exhibit objections do we have?

05:26PM 22 MS. DUCCA: So I believe the next  
05:26PM 23 category has to do with PX-747 and I do not believe  
05:26PM 24 that that is resolved.

05:26PM 25 MR. WELLS: That is correct, Your Honor.

05:26PM 1 Maclain Wells on behalf of TiVo. PX-747 is a summary  
05:27PM 2 of royalties that Motorola pays for different licenses.  
05:27PM 3 It's our contention that these are noncomparable  
05:27PM 4 licenses in many cases and this objection rises and  
05:27PM 5 falls with our motion to strike Hosfield on the same  
05:27PM 6 basis. So with that, I will turn it over.

05:27PM 7 THE COURT: All right. Do we agree that  
05:27PM 8 the Daubert motion is going to control on this exhibit  
05:27PM 9 objection? If so, we'll postpone it, take it up as a  
05:27PM 10 part of the Daubert argument.

05:27PM 11 MR. WILSON: I'm not sure that this  
05:27PM 12 exhibit was specifically addressed in the Daubert  
05:27PM 13 motion, Your Honor. It relates to royalty payments  
05:27PM 14 made by Motorola for its DVR products. It is a  
05:27PM 15 compilation based on license agreements that have been  
05:27PM 16 produced in the case and so it is a little 1006  
05:27PM 17 compilation.

05:27PM 18 They've had an opportunity to depose  
05:28PM 19 Motorola's witness on this exhibit and it has been  
05:28PM 20 relied on by Mr. Hosfield as well as the actual  
05:28PM 21 licenses themselves in connection with his reasonable  
05:28PM 22 royalty analysis for both sets of patents. So it's  
05:28PM 23 certainly something that he relies on.

05:28PM 24 THE COURT: Why is this not a  
05:28PM 25 demonstrative? Why does this need to be an admitted

05:28PM 1 exhibit?

05:28PM 2 MR. WILSON: Well, because these are  
05:28PM 3 the -- I mean, it's essentially a compilation of  
05:28PM 4 information from the license agreements themselves  
05:28PM 5 specifically with respect to the royalty rates. So  
05:28PM 6 it's a compilation of a lot of business records, Your  
05:28PM 7 Honor, and --

05:28PM 8 THE COURT: And if it's a summary you're  
05:28PM 9 going to show the Jury of what's been paid by  
05:28PM 10 Motorola --

05:28PM 11 MR. WILSON: Yes, Your Honor.

05:28PM 12 THE COURT: -- it would seem to me that  
05:28PM 13 it -- it would seem to me that a demonstrative might be  
05:28PM 14 adequate. But if you want to -- if it's -- if it's  
05:28PM 15 offered as an exhibit, you certainly have the right to  
05:28PM 16 offer it for that and I'll rule on its admissibility.

05:29PM 17 MR. WILSON: All right.

05:29PM 18 THE COURT: What's the response to the  
05:29PM 19 Rule 106 argument that it's a summary of proven  
05:29PM 20 content?

05:29PM 21 MR. WELLS: Your Honor, that doesn't --

05:29PM 22 THE COURT: Or proved content?

05:29PM 23 MR. WELLS: -- I'm sorry, Your Honor.  
05:29PM 24 That doesn't address our noncomparable license  
05:29PM 25 agreement. It's a summary of royalties paid on



05:29PM 1 noncomparable licenses. And so if their expert is,  
05:29PM 2 Hosfield, is stricken as reports on -- on this, then  
05:29PM 3 this is no longer useful or relevant, talking about  
05:29PM 4 royalties paid on those licenses that we've sought --

05:29PM 5 THE COURT: So we're really -- we're not  
05:29PM 6 object -- we're not arguing over the exhibit, we're  
05:29PM 7 arguing over the substance of it and whether the  
05:29PM 8 licenses reflected therein, the payments made under  
05:29PM 9 those license are comparable or not?

05:29PM 10 MR. WELLS: That's why we want -- and we  
05:29PM 11 think it rises and falls with the motion to strike  
05:29PM 12 Hosfield.

05:29PM 13 THE COURT: Well, I'll defer ruling on  
05:29PM 14 this until we take up the motion to strike this  
05:29PM 15 exhibit -- this expert's testimony. If -- if the Court  
05:29PM 16 should not specifically return to this and deal with  
05:30PM 17 this after hearing that and ruling on it, then call it  
05:30PM 18 to my attention, all right?

05:30PM 19 MR. WELLS: Thank you, Your Honor.

05:30PM 20 THE COURT: Do we have other exhibits  
05:30PM 21 from Motorola that TiVo is objecting to?

05:30PM 22 MS. DUCCA: Your Honor, I think TiVo has  
05:30PM 23 three more objections, PX-2626, PX-1003, and PX-2636.  
05:30PM 24 Motorola and Time Warner Cable have withdrawn PX-2636,  
05:30PM 25 so that issue should be moot. And that leaves 2626 and

05:30PM 1 1003.

05:30PM 2 MR. WERNER: TiVo withdraws its objection  
05:30PM 3 to 1003. That leaves 2626.

05:30PM 4 THE COURT: All right. 2626 is the last  
05:30PM 5 train out of Dodge. Let's hear about it.

05:30PM 6 MR. WERNER: 2626 is a Motorola document

05:30PM 7 [REDACTED]

REDACTED BY ORDER OF THE COURT

05:31PM 8 [REDACTED]

05:31PM 9 are at issue in this case. This document is of  
05:31PM 10 questionable relevance and it's further potentially --  
05:31PM 11 it is an irrelevant document. It has nothing to do  
05:31PM 12 with any issue in this case because it doesn't apply to  
05:31PM 13 any of the products that are accused in this case or  
05:31PM 14 any prior art or any other technology.

05:31PM 15 Further, Mr. Gray in his rebuttal expert  
05:31PM 16 report notes that Mr. Rosenblum, a Motorola employee,  
05:31PM 17 confirmed that this technology has not yet been  
05:31PM 18 implemented in a released product, at least at the --  
05:31PM 19 and the -- it is a technology that is in development.  
05:31PM 20 There is no detailed analysis beyond the face of this  
05:32PM 21 document showing how this technology works and it -- it  
05:32PM 22 is irrelevant. It doesn't bear any relationship to any  
05:32PM 23 issue in this case and it should be excluded as  
05:32PM 24 irrelevant. The report --

05:32PM 25 THE COURT: All right. Sounds like we

05:32PM 1 have a relevance objection. What's the response?

05:32PM 2 MS. DUCCA: Your Honor, this document is  
05:32PM 3 clearly relevant as it pertains to Mr. Gray's opinions  
05:32PM 4 regarding noninfringement of the '389 patent. Mr. Gray  
05:32PM 5 has rendered an opinion that the Motorola set-top box  
05:32PM 6 has a void flow control at the source object by a  
05:32PM 7 transform object. As a part of that opinion, he has  
05:32PM 8 included different technologies that the set-top box --  
05:32PM 9 the Motorola set-top box -- boxes are capable of  
05:32PM 10 implementing and it is his opinion that because they  
05:32PM 11 can implement these other technologies using the same  
05:33PM 12 parts and circuitry, that they cannot -- they can't  
05:33PM 13 have full control of the source object by a transform  
05:33PM 14 object.

05:33PM 15 One of those technologies is the life  
05:33PM 16 REDACTED BY ORDER OF THE COURT

05:33PM 17 Mr. Gray has rendered about, I would say, two pages  
05:33PM 18 worth of expert report opinions on this technology and  
05:33PM 19 how it applies to his noninfringement opinions. I'm  
05:33PM 20 happy to show that to Your Honor if you would like.

05:33PM 21 This seems to me that it's not so much a  
05:33PM 22 dispute of relevance, but it's more a dispute of they  
05:33PM 23 just don't like Mr. Gray's argument. And if they don't  
05:33PM 24 think it's a credible argument, they can always  
05:33PM 25 cross-examine him at trial.

05:33PM 1 THE COURT: So you're telling me Mr.  
05:33PM 2 Gray has opined about this particular item and has  
05:33PM 3 cited it in his report?

05:33PM 4 MS. DUCCA: Yes, I am, Your Honor. I  
05:33PM 5 can show you the portions of the expert report.

05:33PM 6 Ryan, if you can pull up Mr. Gray's  
05:34PM 7 rebuttal report?

05:34PM 8 THE COURT: Does TiVo dispute that?  
05:34PM 9 Does TiVo dispute that Mr. Gray's cited this particular  
05:34PM 10 exhibit and opined about it in his report?

05:34PM 11 MR. WERNER: I -- my understanding is  
05:34PM 12 there's a single line in which he concludes that --  
05:34PM 13 that it has no bearing on issues in this case.

05:34PM 14 MS. DUCCA: That's not accurate, Your  
05:34PM 15 Honor. There is an entire paragraph where he cites  
05:34PM 16 several different parts of the document.

05:34PM 17 THE COURT: All right. Show me, Counsel.

05:34PM 18 MS. DUCCA: Okay. Ryan, if you would  
05:34PM 19 pull up the -- this is a rebuttal report. If you go to  
05:34PM 20 pages -- well, page 185. Beginning at the bottom of  
05:34PM 21 page 185. So at the bottom Mr. Gray renders an opinion

REDACTED BY ORDER OF THE COURT

05:34PM 22 [REDACTED]

05:35PM 23 object by a transform object, not only because such  
05:35PM 24 flow control would result in the loss of data, but  
05:35PM 25 because any such flow control would interfere with

05:35PM 1 [REDACTED]

REDACTED BY ORDER OF THE COURT

05:35PM 2 [REDACTED]

05:35PM 3 If you go down to paragraph 510, you'll  
05:35PM 4 see that he cites M-GI0314504 and there are several  
05:35PM 5 additional cites to that document. That is Exhibit  
05:35PM 6 PX-2626 that is the subject of this objection.

05:35PM 7 THE COURT: All right. Anything  
05:35PM 8 further?

05:35PM 9 MR. WERNER: If we could keep going down  
05:35PM 10 a few paragraphs to 513, please? And 513 based on my

05:35PM 11 [REDACTED]

REDACTED BY ORDER OF THE COURT

05:35PM 12 [REDACTED]

05:35PM 13 [REDACTED]

05:35PM 14 rendered about products that are not accused of  
05:35PM 15 infringement in this case. It is -- we've not accused  
05:35PM 16 products that are not commercially deployed and this  
05:36PM 17 opinion is about products that are not commercially  
05:36PM 18 deployed.

05:36PM 19 And I'm not sure that there -- it's about  
05:36PM 20 products that are not commercially deployed. There may  
05:36PM 21 be a piece of software or something that hasn't been  
05:36PM 22 deployed on a product yet that is not at issue in this  
05:36PM 23 case, to which Mr. Gray may be referring, but it is  
05:36PM 24 irrelevant to this case. The document should be  
05:36PM 25 excluded, Rule 402.

05:36PM 1 THE COURT: Well, I'm going to  
05:36PM 2 sustain -- I'm going to deny the objection. I think  
05:36PM 3 paragraph 513 is perfect basis for cross-examination,  
05:36PM 4 but the expert has cited it and it's in his report.  
05:36PM 5 And to the extent you don't think it's sufficient, that  
05:36PM 6 should have been a Daubert motion and not an exhibit  
05:36PM 7 objection. But clearly, clearly I don't think your  
05:36PM 8 relevance objection stands, so I'm going to overrule  
05:36PM 9 the objection to 2626.

05:36PM 10 MS. DUCCA: Thank you, Your Honor. I  
05:36PM 11 think we have some news back about No. 4.

05:36PM 12 THE COURT: Is that our category to  
05:37PM 13 return to?

05:37PM 14 MR. LIPNER: It is, Your Honor, and  
05:37PM 15 maybe we can end this discussion on a high note.

05:37PM 16 THE COURT: That'd be nice.

05:37PM 17 MR. LIPNER: I believe we have agreement,  
05:37PM 18 and although this may come as some news to opposing  
05:37PM 19 Counsel on all of the remaining documents from that  
05:37PM 20 objection, so to recite what they are, PX-719, we have  
05:37PM 21 an agreement that Motorola wishes to introduce the  
05:37PM 22 cover page and the signature page of that document and  
05:37PM 23 TiVo has no objection to that. And TiVo withdraws its  
05:37PM 24 objection to PX-935, 897, 742, and 739, after meeting  
05:37PM 25 and conferring, as Your Honor suggested and ordered.

05:37PM 1 THE COURT: All right. So everything in  
05:37PM 2 this category is withdrawn except 719 and 719 is  
05:37PM 3 limited by agreement to the first page of the signature  
05:37PM 4 page; is that correct?

05:38PM 5 MR. LIPNER: The -- Motorola withdrew a  
05:38PM 6 number of exhibits, which we have on the record before.

05:38PM 7 THE COURT: Yes.

05:38PM 8 MR. LIPNER: And as to these five  
05:38PM 9 exhibits, TiVo has withdrawn its objections --

05:38PM 10 THE COURT: Oh.

05:38PM 11 MR. LIPNER: -- and we have the agreement  
05:38PM 12 as to Exhibit --

05:38PM 13 THE COURT: Okay.

05:38PM 14 MR. LIPNER: -- 719.

05:38PM 15 THE COURT: Okay.

05:38PM 16 MR. CUNNINGHAM: That's all correct,  
05:38PM 17 Your Honor.

05:38PM 18 THE COURT: So the objection is  
05:38PM 19 withdrawn by TiVo, allow the documents to be  
05:38PM 20 preadmitted. The documents earlier withdrawn by  
05:38PM 21 Motorola, Time Warner are withdrawn. And with regard  
05:38PM 22 to 719, it's the first page and the last page?

05:38PM 23 MR. LIPNER: Correct. Thank you, your  
05:38PM 24 Honor.

05:38PM 25 THE COURT: All right.

05:38PM 1 MS. DOAN: Your Honor, we have one more  
05:38PM 2 30 second issue to take up. It's also by agreement.  
05:38PM 3 There's some third-party source code that's going to be  
05:38PM 4 produced and that -- or going to be discussed in this  
05:38PM 5 case. They've agreed to bring it to trial. They want  
05:38PM 6 to make sure that it'll be sealed so that just by using  
05:38PM 7 this source code for relevance doesn't all of a sudden  
05:38PM 8 release it to the public. My understanding that Mr.  
05:38PM 9 Birnholz has reached an agreement with Matt Traupman  
05:38PM 10 and that is not opposed by TiVo.

05:39PM 11 THE COURT: Is that correct, TiVo?

05:39PM 12 MR. BIRNHOLZ: That's correct, Your  
05:39PM 13 Honor. We have no objection to sealing the -- the  
05:39PM 14 source code except for third parties asserting  
05:39PM 15 confidentiality.

05:39PM 16 MS. DOAN: I imagine that's -- that's  
05:39PM 17 Grass Valley, Your Honor.

05:39PM 18 THE COURT: All right. Well, let the --  
05:39PM 19 I have no problem honoring that agreement. I don't  
05:39PM 20 think I can seal it until I'm presented with it. At  
05:39PM 21 the time it's presented, remind me of the agreement and  
05:39PM 22 I'll enter an order sealing it.

05:39PM 23 MS. DOAN: Thank you, Your Honor.

05:39PM 24 THE COURT: All right. It appears that  
05:39PM 25 we've worked our way through TiVo's objections to



05:39PM 1 Motorola's exhibits. We have yet to work our way  
05:39PM 2 through Motorola's objections to TiVo's exhibits.

05:39PM 3 I indicated earlier this morning when I  
05:39PM 4 met with Counsel in chambers that Friday would be  
05:39PM 5 available for additional pretrial. It is very clear  
05:39PM 6 we're going to need that. So we'll reconvene here  
05:39PM 7 Friday morning at nine o'clock, unless I should order  
05:40PM 8 otherwise, and we'll continue with the outstanding  
05:40PM 9 pretrial issues, including those exhibit objections,  
05:40PM 10 the Daubert motions and motions for summary judgment,  
05:40PM 11 anything else of a pretrial nature.

05:40PM 12 We're going to have to move quicker on  
05:40PM 13 Friday than we moved today. We'll never get through.  
05:40PM 14 So come prepared to pick up the pace, as they say.

05:40PM 15 MR. VERHOEVEN: I propose that, Your  
05:40PM 16 Honor, if I could just note, we've been negotiating,  
05:40PM 17 we're talk -- on Friday morning we'll be addressing the  
05:40PM 18 other side and we've been trying to get TiVo to reduce  
05:40PM 19 its exhibit lists. It's at a thousand exhibits right  
05:40PM 20 now. We're three times the number of exhibits that we  
05:40PM 21 have, about one exhibit per minute if we're actually  
05:40PM 22 going to go to trial on this.

05:40PM 23 We don't -- we don't believe they're  
05:40PM 24 actually going to really intend to use all those  
05:40PM 25 exhibits, but be that as it may, Your Honor, it would

05:40PM 1 really streamline, help us streamline the process on  
05:41PM 2 Friday if we could get them to reduce their exhibits  
05:41PM 3 down to something that they're actually intending to  
05:41PM 4 use instead of a thousand exhibits. It would help us  
05:41PM 5 meet and confer with them and make the process a lot  
05:41PM 6 more streamlined, Your Honor.

05:41PM 7 THE COURT: Well, I'm going to direct,  
05:41PM 8 and I think this goes without saying, but I'll say it  
05:41PM 9 anyway, I'm going to direct all parties to continuously  
05:41PM 10 meet and confer with an eye toward streamlining the  
05:41PM 11 pretrial matters that survive until Friday. That  
05:41PM 12 doesn't mean around the clock, but I expect you all to  
05:41PM 13 be in more or less constant contact between now and  
05:41PM 14 Friday morning, so that hopefully some constructive,  
05:41PM 15 mutual effort will limit what we have to take up  
05:41PM 16 Friday.

05:41PM 17 MR. WERNER: If I --

05:41PM 18 MR. VERHOEVEN: Every item --

05:41PM 19 MR. WERNER: -- may -- if I may, Your  
05:41PM 20 Honor? One of the issues that we've run into with  
05:41PM 21 trying to reduce our trial exhibit list is that when we  
05:41PM 22 look at the witness list that opposing Counsel has  
05:41PM 23 served, there's an extremely large number of witnesses  
05:41PM 24 that are either will call live or may call live, on the  
05:42PM 25 order of 32, I believe is the number.

05:42PM 1 THE COURT: So it's clear that there's  
05:42PM 2 area for both sides to be constructive --

05:42PM 3 MR. WERNER: Thank you, Your Honor.

05:42PM 4 THE COURT: -- and I expect both sides to  
05:42PM 5 be constructive.

05:42PM 6 All right. That will complete today's  
05:42PM 7 pretrial hearing, Counsel. We stand in recess until  
05:42PM 8 Friday morning.

05:42PM 9 COURT SECURITY OFFICER: All rise.

10 (Hearing Recessed.)

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**Certification**

**I HEREBY CERTIFY** that the foregoing is a true and correct transcript from the stenographic notes of the proceedings in the above-entitled matter to the best of my ability.

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**MELISSA J. CARSON**

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**DATE**

Deputy Official Reporter  
State of Texas No.: 1737  
Expiration Date: 12/31/13